Acklands Limited
1975 Annual Report

ACKLANDS LIMITED IS A MAJOR CANADIAN MERCHANDISER AND DISTRIBUTOR, MARKETING A BROAD RANGE OF AUTOMOTIVE REPLACEMENT PARTS AND ACCESSORIES, INDUSTRIAL SUPPLIES AND ELECTRONICS, HOME ENTERTAINMENT AND LEISURE PRODUCTS. FROM 348 BRANCHES AND WAREHOUSES AND THROUGH A NATIONWIDE NETWORK OF INDEPENDENT WHOLESALERS AND DEALERS, ACKLANDS SERVICES THE AUTOMOTIVE AFTERMARKET, INDUSTRIAL USERS AND CONSUMERS ACROSS CANADA.

ACKLANDS: HELPING TO KEEP CANADA ON THE MOVE

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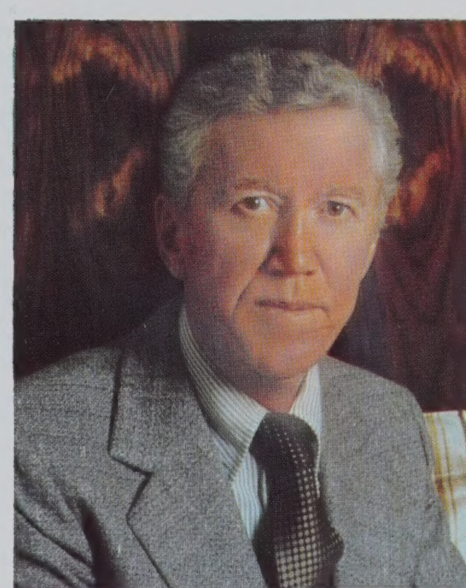
This report is available in French. For a copy please contact the Executive Office of Acklands.

Pour un exemplaire du présent rapport en français, veuillez vous adresser au Siège administratif d'Acklands.

Acklands Limited



Leonard Wolinsky

Hyman Bessin

FINANCIAL HIGHLIGHTS

	1975	1974
Sales	**$255,386,891**	$220,366,230
EARNINGS BEFORE TAX, MINORITY INTEREST AND EXTRAORDINARY ITEMS	**16,357,642**	14,852,960
EARNINGS AFTER TAX		
Including extraordinary items	**7,715,164**	8,014,988
Before extraordinary items	**7,586,139**	7,385,078
EARNINGS PER COMMON SHARE — PRIMARY		
Before gain on sale of fixed assets and extraordinary items	**2.50**	2.53
Gain on sale of fixed assets	**.44**	.34
Income before extraordinary items	**2.94**	2.87
Net income for the year	**2.99**	3.13
EARNINGS PER COMMON SHARE — FULLY DILUTED		
Before gain on sale of fixed assets and extraordinary items	**2.03**	2.03
Gain on sale of fixed assets	**.33**	.25
Income before extraordinary items	**2.36**	2.28
Net income for the year	**2.40**	2.47
DIVIDENDS PAID		
Preference shareholders	**253,862**	268,784
Common shareholders	**1,200,726**	892,339
DIVIDENDS PAID PER COMMON SHARE	**.48**	.36
SHAREHOLDERS' EQUITY	**40,534,383**	33,837,354
EQUITY PER COMMON SHARE	**14.43**	11.89
TOTAL ASSETS	**$181,240,275**	$137,153,964

REPORT TO SHAREHOLDERS

Acklands recorded higher sales and pre-tax profits in 1975 despite recession and the integration of major acquisitions.

Sales rose nearly 16.0 percent to $255.4 million in 1975. Pre-tax income from operations increased 9.0 percent reaching $15.3 million,a record level for the company.

Net income before gain on the sale of fixed assets and extraordinary items amounted to $6.5 million or $2.50 per common share, virtually unchanged from 1974. Losses related to the Autolec acquisition could not be deducted from Acklands' 1975 income, resulting in higher corporate taxes and lower after-tax earnings. These losses will be applied against the Autolec income anticipated this year which will benefit final 1976 results.

Total income was $7.7 million or $2.99 per common share. A more complete analysis of financial results is to be found on page eight of this report.

A Difficult Year

A sharp decline in consumer and industrial demand made 1975 a difficult year for all Canadian companies. Strikes in major industries and weaker markets in the U.S. and abroad added to the problems faced by the Canadian economy. Hard work, tighter controls and greater emphasis on automotive and leisure products helped to offset these problems and maintain the company's five-year record of continuing profit growth.

The non-cyclical nature of the automotive parts aftermarket contributed to the stability of sales and profits. Industrial products demand was reasonably steady although strikes and a slowdown in resource development in Canada inhibited sales. Leisure products were surprisingly strong while industrial electronics and electrical supplies performed well. Sales of home entertainment and appliance products were down from the previous year, as had been expected.

Corporate Developments

Two major acquisitions were completed in 1975 which strenghtened Acklands' position in Canada's automotive aftermarket.

Autolec Inc., a major warehouse distributor of auto parts with sales of $39.0 million was purchased in July of last year. Most of Autolec's sales were concentrated in Ontario and British Columbia. The company had 55 locations at the time of takeover.

Welch and Johnston Ltd., an Ottawa-based auto parts wholesaler, was the second acquisition. Its 12 locations in Eastern Ontario had 1974 sales of $5.0 million.

Both of these acquisitions have now been fully integrated into the Acklands system. Although neither company contributed to 1975 earnings, we do expect that they will both be profitable in 1976.

Two other important acquisitions were consummated after the 1975 year end. Acklands acquired Maurice Rousseau et Cie. of Quebec City, one of the province's largest and most respected auto parts distributors with sales of $9.0 million from 10 locations in eastern Quebec. This acquisition will provide a stronger base for aggressive expansion in that province to which Rousseau management will contribute valuable leadership and expertise.

Mohawk Motor Mfg. of Montreal, a rebuilder of automobile engines, was also purchased in early 1976. Its 1975 sales were nearly $2.5 million. This acquisition complements Western Automotive Rebuilders, augmenting Acklands' position as Canada's largest remanufacturer of auto parts.

Acklands and Jannock Corporation failed to conclude an amalgamation after negotiations were opened in June. The principal reason was that Jannock could not reach a satisfactory agreement with Acklands' principal mortgage bondholder on the restructuring of indenture restrictions.

Expanded Facilities

Acklands acquired major new facilities in 1975 to accommodate its growing operations. Regent Automotive and Modern Automotive Warehousing, two Toronto-based auto parts distributors, were combined in a newly renovated 60,000 square foot warehouse in Toronto. Ontario's Consumer Products division moved to a new 50,000 square foot facility in Downsview previously occupied by Modern Automotive Warehousing.

H. C. Paul, Acklands' major leisure products subsidiary, moved into an 85,000 square foot building in Winnipeg. Powertown, a leisure products retailer, shifted its Prince Albert outlet to larger, impressive new quarters.

Moto-Rite, a Toronto-based warehouser of auto parts, has established a distribution centre in Montreal. This company will be expanding its automotive jobber membership program in that city. Western Automotive Rebuilders opened its first Ontario warehouse to inventory rebuilt en-

gines, brakes and clutch parts for the eastern market. Acklands' auto electric rebuilder, Specified Automotive, will share the facilities. Finally, Westward Distributors, the company's importing division, moved into new 44,000 square foot premises in Toronto.

Consolidation of Operations

Not including acquisitions, Acklands opened 21 new branches in 1975. Because they had not performed up to standard, 14 other branches were closed. At year's end, Acklands had 348 branches in all.

Six Action Muffler outlets in Alberta were sold and the Saskatchewan location was closed. This division was unprofitable, needing more specialized attention and a greater commitment than Acklands was willing to provide at this time. The company may re-enter this business in the future.

Changes in Product Lines

Acklands enjoys close and rewarding ties with its suppliers, big and small. These relationships have been developed over many years and reflect the trust, common cause and mutual understanding that should exist between manufacturers and their merchandising partners.

Unfortunately, Acklands is losing two of its suppliers. The Evinrude franchise for British Columbia which Acklands has held for many years has been terminated. Evinrude wanted to consolidate warehouse distribution with another company holding their parts and service franchise. This decision, taken unilaterally without compensation, will be pursued in the courts.

Complying with a decision by the Brunswick Corporation to extend its own distribution network, Acklands will phase out its line of Mercury outboard motors by November 30 of this year. Mercury has agreed to compensate Acklands for the loss of business and take back unsold inventory at full value. By eliminating our inventory commitment to these products, we are freeing up considerable capital which Acklands will employ in its expansion and new product development programs.

One of these new products is the prestigious Volvo line of outboard engines for which the company has acquired exclusive distribution rights for Ontario and Western Canada. This high quality line has the national sales potential for making up the regional losses of Evinrude and Mercury.

Finally, Briggs and Stratton, a supplier of air-cooled engines, which had been an exclusive line of Autolec, has elected to change its channel of distribution in Canada. The Honda line of industrial engines, which Acklands has recently acquired for parts of western Canada, should help to replace the Briggs and Stratton business.

In the United States, commercial law recognizes the commitment made by a supplier to his distributor and the goodwill and promotion costs a distributor has at stake in a manufacturer's product line. Under the law, distributors are consequently protected from unilateral decisions by their suppliers. Acklands will be seeking comparable legislation in Canada from the federal government in 1976.

Board Changes

Mr. Joseph Wolinsky, who originally purchased control of the company from the Ackland family in 1949, has retired from the Board of Directors after long and invaluable service. Mr. Wolinsky provided direction and guidance to the company in its crucial early stages of growth, for which management is immensely grateful.

During 1975, Mr. Jacques Douville, Executive Vice-President and General Manager of the Bank Canadian National in Montreal, joined Acklands' Board of Directors. Mr. Douville's understanding of the Quebec economy will contribute substantially to Acklands' expansion plans in that province.

Outlook for 1976

Consumer demand in real terms should expand at a considerable pace this year. Corporate capital spending should also be much stronger provided the federal government is able to gain business confidence in its price and incomes policy.

Acklands looks to a year of much greater growth than in 1975. Automotive and leisure products will again provide the strongest performance. Home entertainment and appliance sales should continue to recover during the year and the sale of industrial products will improve substantially with increased business spending.

Acknowledgments

It has been a difficult year, but Acklands' personnel responded to it with the hard work and ingenuity needed to overcome a hostile business environment. Individual effort at every level of the company made the difference and for this we are most grateful. Every employee of Acklands should take pride in the results for 1975.

LEONARD WOLINSKY
Chairman of the Board

HYMAN BESSIN
President

WINNIPEG, CANADA, FEBRUARY 20, 1976

HISTORICAL PROFILE

From its very beginnings, Acklands has taken advantage of new markets, new products and new technology for its success.

Founded in 1889 it has evolved from a small prairie distributor to one of Canada's largest wholesale trading companies. Most of this growth has been accomplished in the last decade. Today, Acklands is a multi-million dollar enterprise with world wide activities.

The company was started in Winnipeg by Dudley Ackland, a woodworker from Lanark County, Ontario. Attracted by the promise of the new west, he left his position as manager of a successful carriage factory in Port Elgin, Ontario, to set up a farm implement and wagon repair business with his son. His first location was on Higgins Avenue, not far from the company's present head office.

For more than 20 years, D. Ackland & Son was the only firm on the prairies making parts for carriages and buckboards. Capitalizing on this advantage and the flood of new settlers, the company gradually expanded. The first branch was opened in 1914 in Calgary and an Edmonton branch followed two years later.

By 1918, the automobile was becoming a common sight on the roadways of western Canada, replacing the horse and wagon. Acklands was well positioned to take advantage of the new demand for motor vehicle parts, which gradually replaced carriage parts and blacksmith supplies in importance.

The prairie grain industry presented another opportunity. The two world wars placed heavy demands on western Canada's agricultural sector. Dormant land was brought into production and sales of farm equipment soared. Acklands serviced this market with replacement parts for machinery and a wide range of farm supplies.

The company also expanded into hardwood lumber, steel and welding equipment, home appliances and industrial products. By 1949 when the Ackland family sold the company, it was a well known and successful wholesaler with six branches in three prairie provinces.

Rapid Growth in the 1960s

During the 1950s, the company did little in the way of expansion. Acklands' major growth began when present top management bought control in 1959. Canada's fragmented markets needed efficient large-scale warehousing and distribution, especially for automotive replacement parts and industrial equipment.

Between 1959 and 1966, the branch network was tripled — and then nearly doubled again — with 29 new branches in British Columbia, Alberta and north western Ontario. The company also made its first move into Toronto with purchase of a wholesale hardware and packaging business and a steel distribution company. Total sales climbed from less than $7 million in 1959 to $19.8 million in 1966.

It was in 1966 that Acklands accepted its greatest challenge, acquiring control of Prairie Pacific Distributors, an auto parts company with sales in excess of $47 million — nearly two and a half times the size of Acklands. PPD was owned by an English merchant banking firm, which had assembled the company by acquiring a number of family-owned businesses from the Lakehead to British Columbia.

Like Acklands, they had seen the opportunities in western Canada's splintered automotive parts aftermarket. Unlike Acklands, PPD was not operating profitably. Canadian management with first hand knowledge of local markets was needed to turn the company around. With the purchase of Prairie Pacific Distributors — Ack-

lands became Canada's largest wholesaler of automotive parts and accessories. By the next year, PPD was profitable.

Also in 1966, Acklands moved into both industrial and consumer electronics, in its familiar role as a warehouse distributor. The decision was a timely one as demand for colour television receivers, stereo equipment and industrial electronic components was just beginning to explode in western Canada. At the end of 1967, Acklands had expanded to 150 branches and sales of $85 million, a 13-fold increase in just nine years.

One of the most profitable decisions, made in 1968, was to enter the recreational products field. The leisure time industry was beginning to flourish and Acklands responded quickly to the opportunity. Anticipating the boom in sales of snowmobiles, pleasure boats and bicycles, Acklands established itself as a warehouse distributor of imported and domestic recreational products. As disposable income grew, so did demand, and this product group soon became the company's fastest growing.

In an effort to utilize its resources more efficiently and maximize return, Acklands phased out its hardware and steel operations in the late 60s and early 70s. Although a traditional part of the company's business, these operations did not meet profit expectations.

New Growth Opportunities

Acklands then turned its attention to the markets of eastern Canada. In just five years, the company developed a major presence in Ontario and Quebec to balance its traditional strength in western Canada.

The first objective was to penetrate Ontario's automotive aftermarket. Warehouses were acquired and the branch network expanded. Ontario sales increased from $18.8 million in 1971 to more than $58 million five years later.

Greater emphasis was placed on remanufacturing automotive engines and electrical parts and Acklands quickly established a dominant position in the field. As new product prices increased and as recycling and conservation became major issues, Acklands' rebuilding operations took on new importance.

The international trading division widened its search for automotive and industrial products, introducing Canadians to hundreds of manufacturers from around the world. The company began to import hand tools under its own label

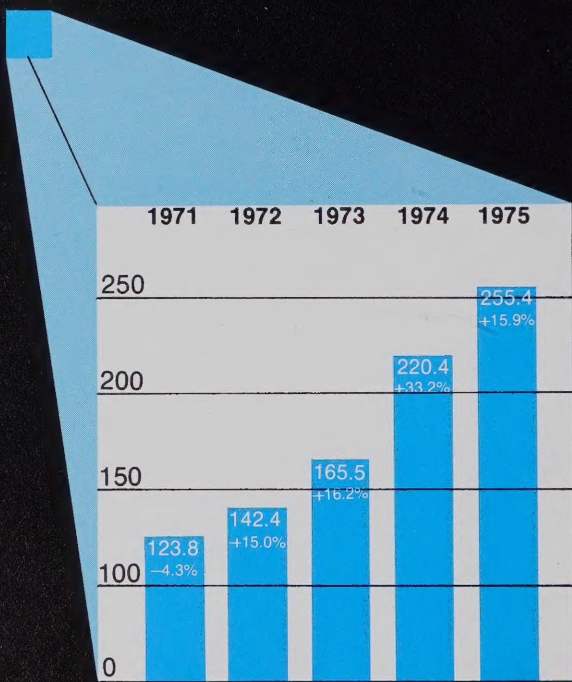
D. Ackland's First Location

and quickly became one of the country's largest distributors of these products. Within a few years, Acklands was buying the entire annual output of some of its suppliers.

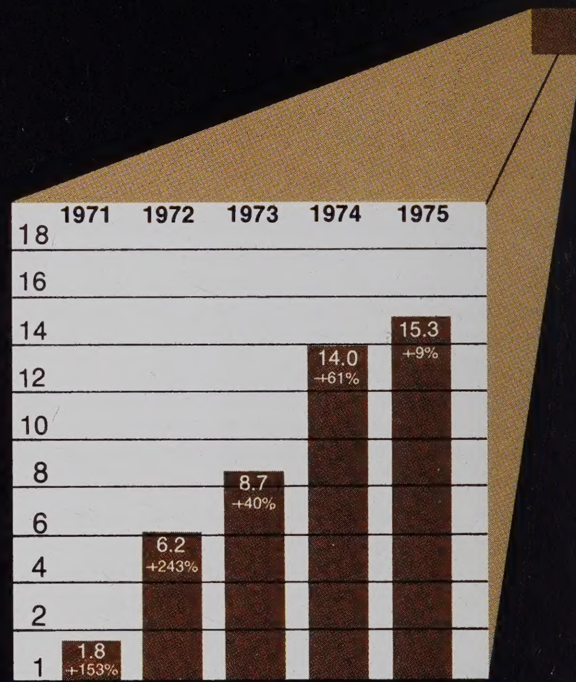
Recently, Acklands has become more involved in high technology machine tool markets. Computerized lathes have become a major product for the industrial division, with one such unit capable of shaping more parts in one afternoon than Dudley Ackland made in a year — and with much better tolerances. Electronics sales were strengthened by a broadening range of computer parts, electronic components, communications equipment and electrical supplies.

Acklands Today

The modern Acklands is a sophisticated trading company, developing its own markets and quality products on an international scale. As a major Canadian warehouse distributor, the company has locations in 178 of the country's towns and cities and occupies 3.4 million sq. ft. of operating space. Its 3,800 people, operating from 348 branches, serve 110,000 customers with 100,000 products from 9,000 different suppliers. Dudley Ackland would never have believed it.



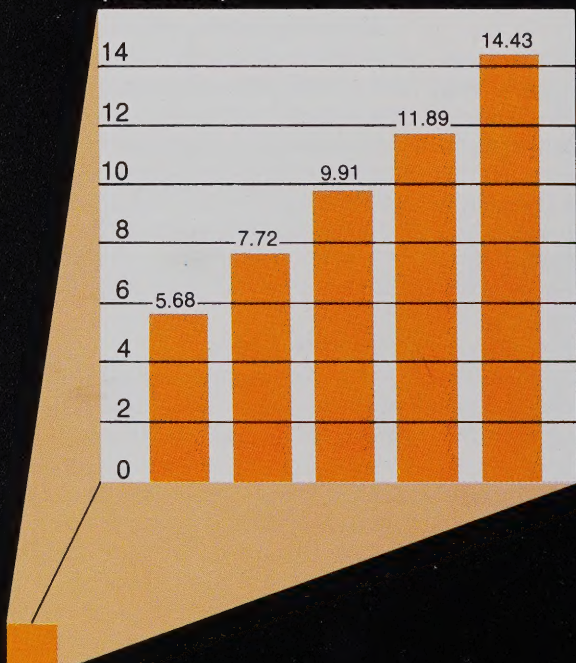
Sales ($ millions)



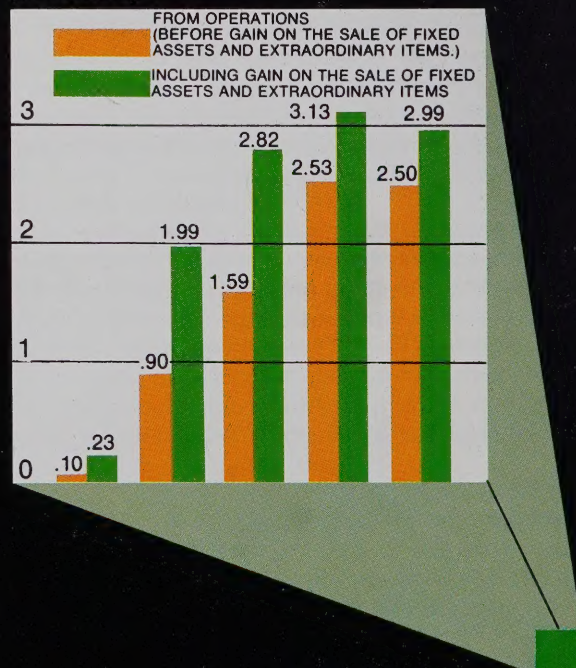
Pre-Tax income from operations* ($ millions)

*Before gain on the sale of fixed assets

Equity per Common Share ($ dollars)



Earnings per Common Share ($ dollars)



FINANCIAL REVIEW

Acklands is committed to profitable growth within a framework of sound corporate policy and planning. The company has dedicated itself to excellence in customer service, product quality and maximum return to shareholders.

FINANCIAL COMMENT

Nathan Starr

In 1975, sales surpassed the level attained in the previous year by $35 million. Although higher unit prices and acquisitions contributed to the rise, the increase resulted in large part from the greater physical volume of product sold.

Inventories increased by $18.3 million, largely due to acquisitions and at year end stood at $88.7 million.

Operating Income

Operating income, i.e. income before depreciation, loan interest and taxes, increased 18.5 percent to $25.4 million. This substantial improvement was primarily the result of greater sales volume for products with higher gross margins, reflecting the company's changing product mix.

Cost control measures also made an important contribution to higher operating profit. Efficiencies were realized in selling and administrative expenses even though Acklands continued to support its product lines with a greater commitment to advertising and sales promotional expenditures. In 1975 the company was able to reduce selling and administrative costs from 8.4 percent of sales to 5.7 percent, a saving of $4 million from 1974.

Wages and employee benefits accelerated dramatically however, reflecting the effects of inflation on wage demands and a higher level of employment. Employee salary expenses amounted to $38.5 million or 15.1 percent of sales, up from $27.1 million or 12.3 percent of sales in the previous year.

Interest Expense

Interest paid on indebtedness rose sharply due to both increases in the level of borrowing and higher interest rates paid. Interest expense was up in 1975 to $8.4 million from $6.3 million a year earlier. A higher level of borrowing was necessary to support rising receivables and inventory.

Additions to long term debt amounted to $29.4 million. New debt included a $25 million mortgage bond issue in May 1975. Working capital increased, providing funds for the expansion of operations and the acquisition of other businesses. At year end, long term debt accounted for 51 percent of total capitalization.

Income Taxes

Acklands' effective corporate tax rate in 1975 increased to 54 percent of reported income from the 1974 rate of 50 percent. This higher tax expense was brought about because of losses sustained in three operating units, which losses under the Income Tax Act are not deductible from 1975 profits of other subsidiaries. Most of these losses arose as a result of the Autolec purchase. The losses can be carried forward and will be applied against future profits.

Financial Position

Acklands' financial position improved significantly at year end. Working capital was $52.0 million up $16.9 million over 1974. Shareholders' equity rose to $40.5 million compared to $33.8 million a year earlier, reflecting an overall compound growth rate of 15 percent over the past five years. Equity per common share increased 21 percent in 1975 to $14.43 and total assets were up by 32 percent to $181.2 million.

Dividends

The Board of Directors of Acklands Limited voted in January 1975 to raise the quarterly common share dividend to 12¢ from the 10¢ previously paid. Accordingly, the annual dividend was increased to 48¢, 33 percent higher than the previous year and double the amount paid in 1973. Total common share dividends paid during 1975 were $1.2 million or nearly 20 percent of net operating earnings available to common shareholders.

Growth in common share dividends is in keeping with Acklands' objective of operating the company for the maximum benefit of long term shareholders and recognizing their need for income distribution. At the same time, Acklands' dividend policy reflects the company's need to re-invest the major portion of profit for further expansion.

consolidated statement of income

Year ended November 30, 1975 (with comparative figures for November 30, 1974)

	1975	1974
Sales	**$255,386,891**	$220,366,230
Cost of sales, selling and administrative expenses before the following	**228,752,155**	197,928,686
	26,634,736	22,437,544
Deduct		
Depreciation	**1,601,259**	1,174,572
Interest on long-term debt	**3,265,894**	2,384,372
Other interest	**5,128,984**	3,866,492
Amortization of goodwill	**162,771**	10,760
Remuneration of directors and senior officers	**1,218,514**	990,239
Gain on sale of fixed assets	**(1,100,328)**	(841,851)
	10,277,094	7,584,584
Income before income taxes, minority interest and extraordinary items	**16,357,642**	14,852,960
Income taxes		
Current	**8,042,992**	7,303,093
Deferred	**718,965**	152,428
	8,761,957	7,455,521
Income before minority interest and extraordinary items	**7,595,685**	7,397,439
Interest of minority shareholders	**9,546**	12,361
Income before extraordinary items	**7,586,139**	7,385,078
Extraordinary items		
Gain on sale of operating division, net of income taxes		457,647
Income tax reduction realized on the application of prior years' losses	**129,025**	172,263
	129,025	629,910
Net Income for the year	**$ 7,715,164**	$ 8,014,988
Earnings per share (note 9)		
Income before gain on sale of fixed assets and extraordinary items	**$2.50**	$2.53
Gain on sale of fixed assets	**.44**	.34
Income before extraordinary items	**2.94**	2.87
Net income for the year	**$2.99**	$3.13

consolidated balance sheet

As at November 30, 1975 (with comparative figures for 1974)

ASSETS	1975	1974
Current Assets		
Cash	**$ 9,742,921**	$ 3,236,257
Accounts receivable	**49,988,977**	40,482,538
Receivable from employees		1,288,154
Inventories	**88,706,567**	70,358,175
Prepaid expenses	**134,037**	192,579
	148,572,502	115,557,703
Other Assets		
Investment in 50% owned companies	**899,265**	653,811
Mortgage and lien notes receivable and other investments, at cost	**1,190,714**	1,003,516
	2,089,979	1,657,327
Fixed Assets (note 2)		
Land, buildings, equipment and leasehold improvements, at cost	**42,429,901**	31,398,527
Less accumulated depreciation	**12,663,734**	11,514,149
	29,766,167	19,884,378
Intangibles		
Deferred expenses	**496,842**	
Goodwill	**314,785**	54,556
	811,627	54,556
	$181,240,275	$137,153,964

Approved by the Board

Nathan Starr, Director

George Forzley, Director

LIABILITIES	1975	1974
Current Liabilities		
Bank advances (note 4)	**$ 46,882,000**	$ 36,498,142
Accounts payable and accrued liabilities	**37,605,342**	32,592,529
Income and other taxes payable	**7,751,879**	7,641,102
Deferred revenue	**296,894**	1,064,356
Principal due within one year on long-term debt	**3,976,160**	2,606,565
	96,512,275	80,402,694
Long-Term Debt (note 5)	**43,127,561**	22,556,281
Deferred Income Taxes	**910,030**	191,065
Interest of Minority Shareholders in Subsidiary Companies	**156,026**	166,570
SHAREHOLDERS' EQUITY		
Capital Stock (note 6)	**16,104,869**	15,689,340
Contributed Surplus	**510,706**	489,782
Retained Earnings	**23,918,808**	17,658,232
	40,534,383	33,837,354
	$181,240,275	$137,153,964

Contingent liabilities and commitments (note 7)

auditors' report

To the Shareholders of
Acklands Limited

We have examined the consolidated balance sheet of Acklands Limited and subsidiary companies as at November 30, 1975 and the consolidated statements of income, retained earnings, contributed surplus and changes in financial position for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these consolidated financial statements present fairly the financial position of the companies as at November 30, 1975 and the results of their operations and the changes in their financial position for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Winnipeg, Canada
February 20, 1976

Thorne Riddell & Co.
Chartered Accountants

consolidated statement of retained earnings

Year ended November 30, 1975 (with comparative figures for 1974)

	1975	1974
Balance at beginning of year		
As previously reported	**$ 18,005,795**	$ 13,120,491
Adjustment of prior years' income taxes (note 8)	**(347,563)**	(347,563)
As restated	**17,658,232**	12,772,928
Net income	**7,715,164**	8,014,988
	25,373,396	20,787,916
Deduct		
Dividends on		
Second preference shares	**253,862**	268,784
Common shares	**1,200,726**	892,339
Excess of cost of shares of subsidiary companies over book value at acquisition		1,968,561
	1,454,588	3,129,684
Balance at end of year	**$ 23,918,808**	$ 17,658,232

consolidated statement of contributed surplus

Year ended November 30, 1975 (with comparative figures for 1974)

	1975	1974
Balance at beginning of year	**$ 489,782**	$ 454,534
Discount on purchase and cancellation of preference shares	**20,924**	35,248
Balance at end of year	**$ 510,706**	$ 489,782

consolidated statement of changes in financial position

Year ended November 30, 1975 (with comparative figures for 1974)

	1975	1974
Working capital derived from		
Operations	**$ 8,928,937**	$ 8,020,417
Proceeds from sale of fixed assets	**2,334,207**	1,878,094
Proceeds from sale of operating division		647,306
Paid-in capital on the conversion of second preference shares	**5,529**	
Issue of common shares on conversion of debentures	**538,000**	
Reduction of mortgages receivable and other assets	**134,257**	450,212
Increase in long-term debt	**29,432,355**	2,882,500
	41,373,285	13,878,529
Working capital applied to		
Additions to fixed assets	**2,999,919**	6,154,535
Reduction of long-term debt	**15,508,657**	3,382,989
Dividends	**1,454,588**	1,161,123
Investment in 50% owned company	**50,000**	
Purchase of minority interest in subsidiary companies	**10,544**	80,713
Deferred expenses	**523,402**	
Purchase of second preference shares	**107,076**	150,752
Acquisition of businesses less acquired working capital of $2,551,700 ($2,141,156 in 1974) (note 3)	**3,497,327**	2,479,011
Increase in mortgages receivable and other assets	**316,554**	648,656
	24,468,067	14,057,779
Increase (decrease) in working capital	**16,905,218**	(179,250)
Working capital at beginning of year		
As previously reported	**35,835,497**	36,014,747
Adjustment of prior years' income taxes (note 8)	**(680,488)**	(680,488)
As restated	**35,155,009**	35,334,259
Working capital at end of year	**$52,060,227**	$35,155,009

notes to consolidated financial statements

Year ended November 30, 1975

1. ACCOUNTING POLICIES

(a) Principles of consolidation
The consolidated financial statements include the accounts of all subsidiary companies, all of which are wholly-owned with the exception of minority interest in preferred shares of two subsidiaries and a small minority interest in common shares of one subsidiary. The operating results of all subsidiaries are included in the consolidated financial statements from the dates of acquisition and are accounted for as purchases.

(b) Inventories
Inventories are valued at the lower of cost and net realizable value.

(c) Investment in 50% owned companies
It is the company's practice to include in income its equity in net earnings of companies 50% owned and to reflect in the investment account its equity in undistributed earnings.

(d) Fixed assets
All fixed assets are stated at cost. Depreciation has been recorded on a basis to amortize the cost of fixed assets over their estimated useful lives and the rates applied are substantially as follows:

Buildings	2% Straight-line
Equipment, other than automotive	10% Straight-line
Equipment, automotive	30% Diminishing balance
Leasehold improvements	Over the unexpired terms of the lease

(e) Deferred expenses
The costs of issuing the 11½% First Mortgage Bonds, Series B, and the cost of acquiring certain leasehold rights have been deferred. These costs are to be amortized on a straight-line basis as a charge against income over the terms of the debt and the lease respectively.

(f) Goodwill
For acquisitions subsequent to March 31, 1974, the excess of the cost over the net identifiable asset values, designated as goodwill, is recorded as an asset and amortized on a straight-line basis as a charge against income over a period not exceeding forty years.

(g) Income taxes
Deferred income taxes arise from claiming depreciation and other items for tax purposes in amounts differing from those recorded in the accounts.

2. FIXED ASSETS

	1975			1974
	Cost	Accumulated depreciation	Net	Net
Land	**$ 4,804,728**		**$ 4,804,728**	$ 3,463,395
Buildings	**22,270,767**	**$ 3,908,386**	**18,362,381**	12,045,282
Equipment	**13,223,769**	**8,046,116**	**5,177,653**	3,423,477
Leasehold improvements	**2,130,637**	**709,232**	**1,421,405**	952,224
	$42,429,901	**$12,663,734**	**$29,766,167**	$19,884,378

3. BUSINESSES ACQUIRED

Pursuant to purchase agreements completed in the current year, net assets of companies engaged in the automotive after-market have been acquired for a total consideration of $6,049,027. These acquisitions are accounted for as follows:

Net assets acquired, at assigned values		
Current assets	**$20,854,367**	
Fixed assets	**9,717,008**	
Mortgages and other investments	**4,901**	$30,576,276
Current liabilities	**18,302,667**	
Long-term debt	**6,647,582**	24,950,249
		5,626,027
Excess of cost over assigned values of net assets acquired		423,000
		$ 6,049,027
Consideration given at fair value		
Cash		$ 2,496,617
Issue of notes payable		3,552,410
		$ 6,049,027

One of the purchase agreements has not yet been finalized. However, the final settlement will not have a material effect on the companies' financial position.

4. BANK ADVANCES

Bank advances are secured by the assignment of accounts receivable, a first floating charge on inventories and a junior floating charge on other assets.

5. LONG-TERM DEBT

	1975	1974
Acklands Limited		
7% Note, payable May 31, 1976	**$ 50,000**	$ 100,000
10% Notes, payable $83,333 January 18 annually to 1977	**166,666**	250,000
Term bank loan, with interest at prime bank rates, payable $250,000 September 30, 1976 and $1,050,000 in March 1977	**1,300,000**	
7% Notes, payable $182,187 December 31 and June 30 annually to 1977	**910,938**	1,275,312
6% Notes, payable $20,000 May 31 annually to 1978	**60,000**	80,000
9% Notes, payable $25,000 December 1 annually to 1978	**100,000**	125,000
Notes payable, with interest at prime bank rates, payable $275,000 on the last days of December, March, June and September, with a final payment of $252,410 on December 31, 1979 (see note 3)	**3,552,410**	
8½% Notes, payable $16,071 quarterly commencing June 30, 1977 with the balance payable June 30, 1984	**450,000**	
7½% Unsecured Convertible Debentures, Series A, maturing June 15, 1988, having a sinking fund requirement of $500,000 per annum	**7,365,000**	8,372,000
11½% First Mortgage Bonds, Series B, maturing May 15, 1990, payable $1,600,000 May 15 annually to 1980 (see below)	**25,000,000**	
Term bank loans		7,142,860
7¾% First Mortgage Bonds, Series A		4,800,000
7½% Notes payable		200,000
Subsidiaries		
6% to 11¾% Mortgages, agreements and notes payable in monthly instalments	**8,148,707**	2,817,674
	47,103,721	25,162,846
Less principal included in current liabilities	**3,976,160**	2,606,565
	$43,127,561	$22,556,281

Principal due within each of the next five years is as follows:

1976	$3,976,160
1977	4,567,183
1978	3,662,180
1979	3,141,361
1980	2,442,450

Each holder of 11½% First Mortgage Bonds may tender such bonds for maturity on May 15, 1980 at its option if an irrevocable election is made by such holder after May 15, 1979 but before November 30, 1979. The effect of bondholders making such an election has not been reflected in the principal payments due in 1980. After May 15, 1980, principal payments equal to 6.4% of the then outstanding principal are required.

6. CAPITAL STOCK

(a) Authorized and issued

	Authorized		Issued	
	Shares	Amount	Shares	Amount
Non-voting second preference shares issuable in series, par value $16.00 each	885,563	$14,169,008		
Series A — 6% Cumulative, convertible and redeemable at $17.00 each	272,609	$ 4,361,744	272,115	$ 4,353,840
Deduct				
Converted to common shares during the year	5,529	88,464	5,529	88,464
Purchased for cancellation during the year	8,000	128,000	8,000	128,000
	13,529	216,464	13,529	216,464
	259,080	$ 4,145,280	258,586	4,137,376
Common shares without par value	3,857,240		2,478,719	11,335,500
Add issued on conversion of				
7½% Unsecured convertible debentures			37,660	538,000
6% Second preference shares	5,529		5,529	93,993
	3,862,769		2,521,908	11,967,493
				$16,104,869

(b) Common shares reserved for issue

	Expiry date	Price	Number of common shares reserved
Upon conversion of 7½% Unsecured Convertible Debentures, Series A	June 14, 1981	$14.28	515,550
On exercise of share purchase warrants	September 1, 1978	$14.29	45,000
			560,550

7. CONTINGENT LIABILITIES AND COMMITMENTS

(a) Conditional sales agreements assigned with recourse and other guarantees total $11,046,611.

(b) Outstanding bank letters of credit amount to $1,517,622.

(c) The companies have commitments under leases extending through 1999 which, after recoveries from sub-tenants totalling $886,186 call for future net rentals of approximately $11,281,119. Net rentals for each of the next five years are as follows:

1976	$1,908,362
1977	1,689,039
1978	1,407,187
1979	1,080,420
1980	832,375

(d) In 1975, the company amended the benefits under its pension plan. These amendments have given rise to a greater unfunded past service liability of approximately $4,547,000 which will be paid and charged to income over a fifteen year period.

(e) Subsequent to November 30, 1975, the company has agreed to acquire another business. The total commitment involved is $1,570,000, of which $700,000 will be financed by long-term debt. In addition, the company has agreed to provide financing up to $1,460,000 to a supplier from whom the company holds long-term distribution rights.

8. INCOME TAXES

(a) Comparative figures have been restated to reflect final settlements on income tax re-assessments for the years 1970 and 1971.

(b) In certain companies losses of $1,266,098 remain deductible in determining income taxes payable in future years as follows:

Year of loss	Amount of loss	Date of expiry
1971	$ 126,695	1976
1972	111,398	1977
1973	14,013	1978
1974	60,628	1979
1975	953,364	1980
	$1,266,098	

In these companies, undepreciated capital cost of depreciable fixed assets exceeds net book value by $574,726.

The income tax effect of these matters has not been recognized in the accounts.

9. EARNINGS PER SHARE

(a) The calculation of primary earnings per share, after adjusting for second preference share dividends, has been made using the weighted monthly average number of common shares outstanding in each year.

(b) Fully diluted earnings per share are as follows:

	1975	1974
Income before gain on sale of fixed assets and extraordinary items	**$2.03**	$2.03
Gain on sale of fixed assets	**.33**	.25
Income before extraordinary items	**2.36**	2.28
Net income	**2.40**	2.47

In calculating fully diluted earnings per share the weighted monthly average number of common shares outstanding in each year has been calculated assuming

(i) full conversion of the convertible debentures and second preference shares on the dates of issue, and

(ii) the exercising of the outstanding common share purchase warrants on the dates of issue.

Net income used in this calculation, both before and including extraordinary items, reflects a reduction in interest costs, imputed earnings on exercise of the common share purchase warrants, and the related effect on income taxes resulting from the above assumptions.

10. ANTI-INFLATION ACT

The company and its subsidiaries are subject to the Anti-Inflation Act which provides, as from October 14, 1975, for the restraint of profit margins, prices, dividends and compensation. In the opinion of management, the provisions of this Act have no significant effect on the companies' earnings for the year ended November 30, 1975.

The company follows a policy of paying dividends of 96¢ per share on Series A second preference shares and 48¢ per share on common shares. These dividend policies are not in excess of the guidelines.

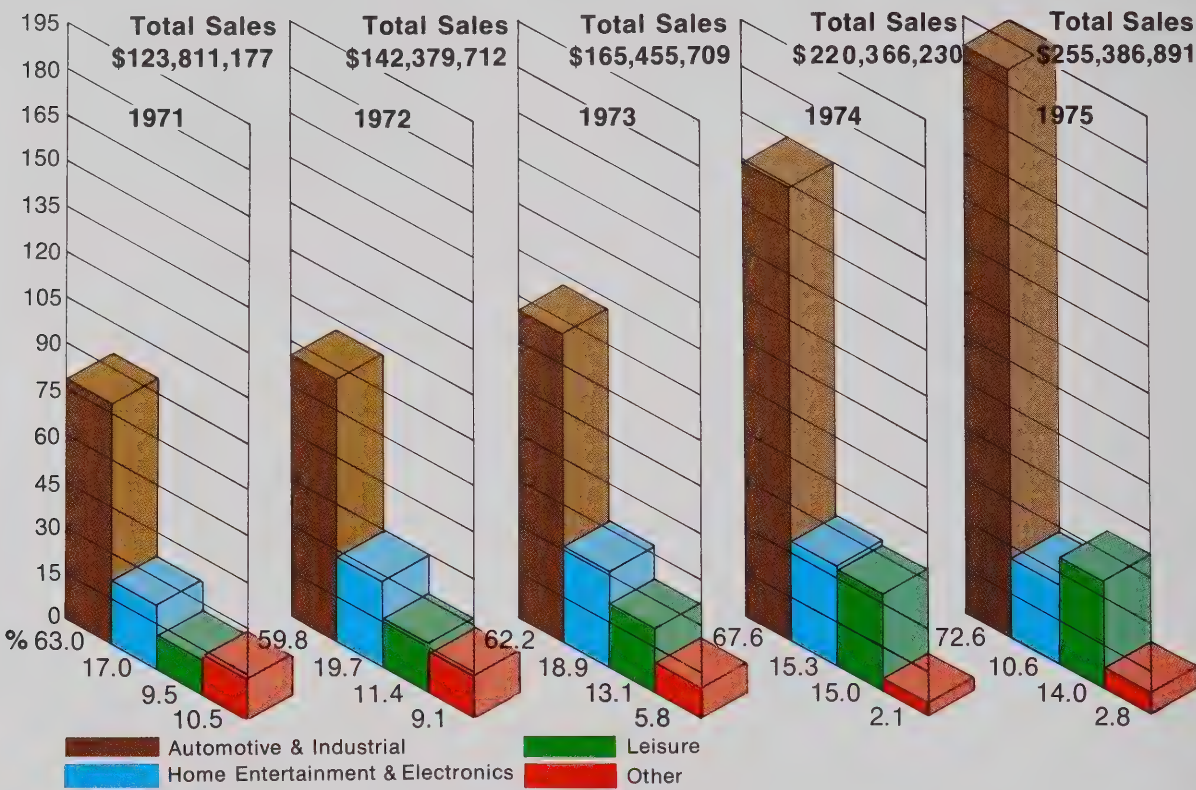
11. THE COMPANIES ACT OF BRITISH COLUMBIA

These financial statements comply with the disclosure requirements of the Act of incorporation (Manitoba Companies Act) and the securities legislation of certain provinces in Canada, but do not purport to comply with all disclosure requirements unique to the Companies Act of British Columbia.

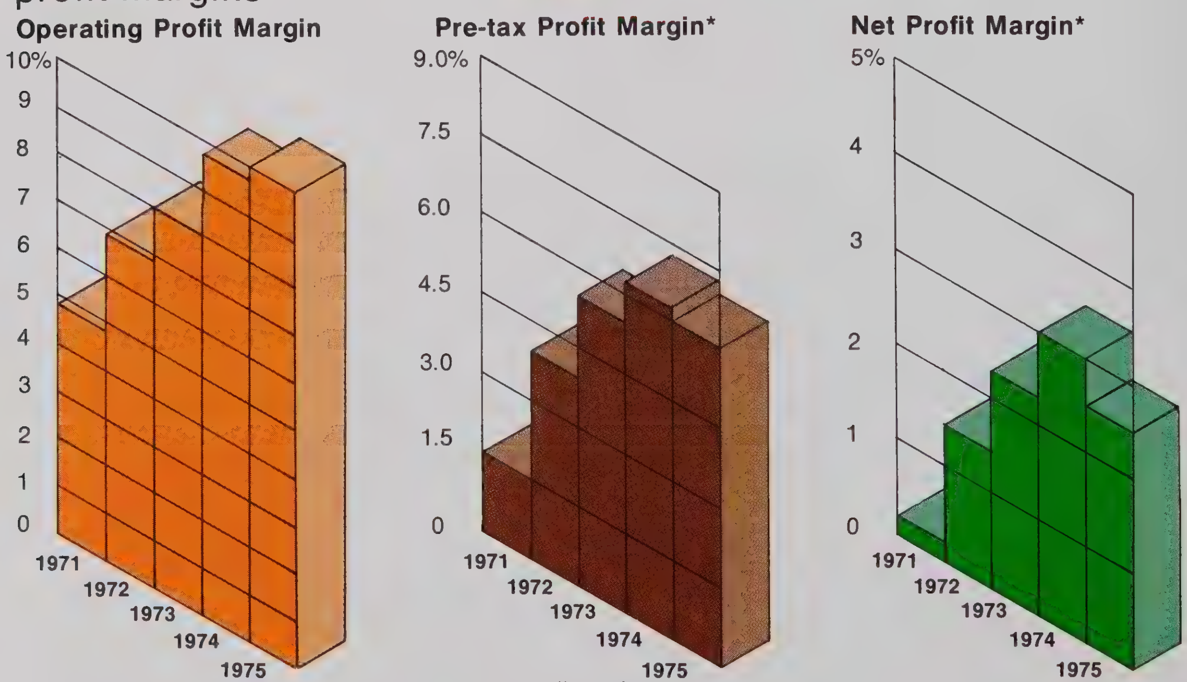
A section of the Winnipeg Industrial Products warehouse. Acklands carries a wide range of supplies and equipment for Canadian industry.

STATISTICAL SURVEY

analysis of sales by product group ($ millions)

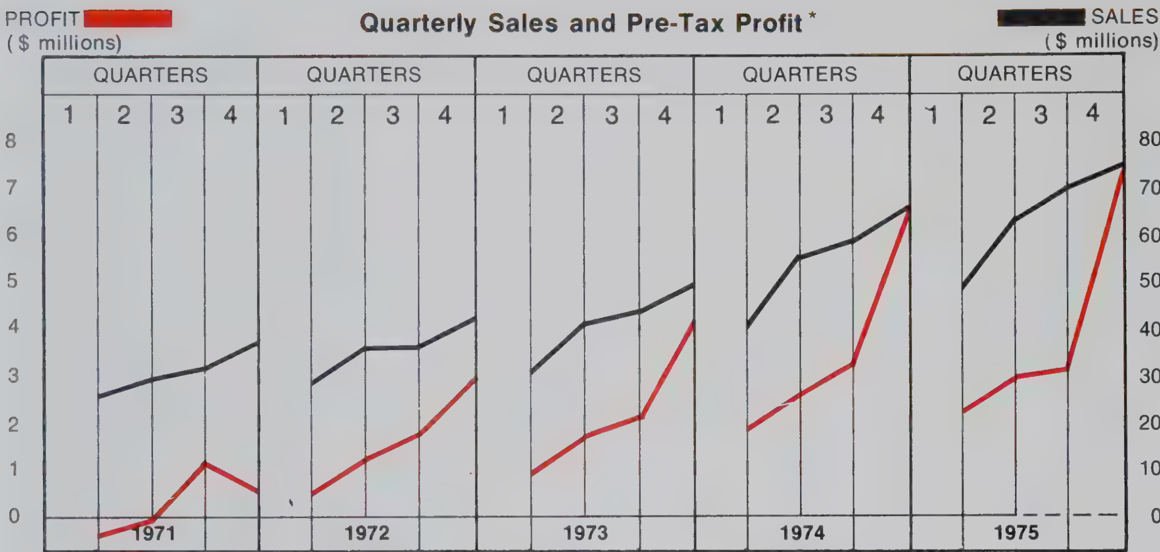


profit margins



* Before gain on the sale of fixed assets and extraordinary items.

Quarterly Sales and Pre-Tax Profit*



Quarterly Pre-Tax Profit ($000's)*

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Year
1971	(56)	98	1,106	666	1,814
1972	434	1,097	1,742	2,951	6,224
1973	924	1,746	1,951	4,089	8,710
1974	1,826	2,570	3,166	6,449	14,011
1975	2,152	2,952	2,996	7,157	15,257

Quarterly Sales ($ millions)

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Year
1971	25.9	29.8	31.6	36.5	123.8
1972	28.0	35.6	36.0	42.8	142.4
1973	31.0	41.3	43.8	49.4	165.5
1974	40.4	55.8	59.4	64.8	220.4
1975	47.9	63.0	70.0	74.5	255.4

*Before gain on the sale of fixed assets and extraordinary items.

Distribution of the 1975 Sales Dollar

Last year, 84.0¢ out of every dollar of sales went for wages, employee benefits and the purchase of product from suppliers. Selling and administrative expense amounted to 5.7¢, followed by depreciation at .6¢ and 3.3¢ to pay interest on debts incurred to finance the company's business. Corporate income taxes accounted for a further 3.4¢, leaving Acklands with 3.0¢ of every sales dollar.

Acklands' shareholders received .6¢ in dividends and the remaining 2.4¢ was reinvested in company operations.

SUPPLIERS	68.9¢	
SELLING AND ADMINISTRATIVE EXPENSE	5.7¢	20.8¢
WAGES AND BENEFITS	15.1¢	
DEPRECIATION AND	.6¢	3.9¢
INTEREST EXPENSE	3.3¢	
TAXES	3.4¢	
DIVIDENDS	.6¢	
RETAINED EARNINGS	2.4¢	

	1975	1974	1973*	1972*
SALES	**$255,386,891**	$220,366,230	$165,455,709	$142,379,712
DEPRECIATION	**1,601,259**	1,174,572	870,458	850,665
INTEREST ON LONG-TERM DEBT	**3,265,894**	2,384,372	2,014,383	1,321,993
EARNINGS FOR THE YEAR				
Including extraordinary items	**7,715,164**	8,014,988	7,248,791	5,219,370
Before extraordinary items	**7,586,139**	7,385,078	5,676,268	3,051,645
DIVIDENDS				
Preference Shareholders	**253,862**	268,784	282,721	589,725
Common Shareholders	**1,200,726**	892,339	593,358	
WORKING CAPITAL	**52,060,227**	35,155,009	35,334,259	33,512,851
FIXED ASSETS, net	**29,766,167**	19,884,378	15,533,445	14,425,869
LONG-TERM DEBT	**43,127,561**	22,556,281	22,705,283	24,621,662
SHAREHOLDERS' EQUITY	**40,534,383**	33,837,354	29,098,802	24,290,384
TOTAL ASSETS	**181,240,275**	137,153,964	96,534,021	80,899,859
EARNINGS PER SHARE (see notes)				
Including extraordinary items				
Primary	**2.99**	3.13	2.82	1.99
Fully diluted	**2.40**	2.47	2.21	1.60
Before extraordinary items				
Primary	**2.94**	2.87	2.18	1.11
Fully diluted	**2.36**	2.28	1.75	.97
DIVIDENDS PAID PER COMMON SHARE	**.48**	.36	.24	
EQUITY PER COMMON SHARE	**$14.43**	$11.89	$ 9.91	$ 7.72
NUMBER OF BRANCHES	**348**	272	225	196

Notes

1. The calculation of primary earnings per share, after adjusting for second preference share dividends, has been made using the weighted monthly average number of common shares outstanding in each year.

2. In calculating fully diluted earnings per share the weighted monthly average number of common shares outstanding in each year has been calculated assuming:
(i) full conversion of the convertible debentures and second preference shares on the dates of issue, and
(ii) the exercising of the outstanding common share purchase warrants on the dates of issue.

1971*	1970*	1969*	1968*	1967*	1966*
$123,811,177	$129,362,581	$134,900,759	$116,705,941	$ 84,834,234	$ 19,838,899
1,050,969	938,745	812,471	768,405	686,758	222,874
1,395,118	1,432,478	1,533,010	1,019,184	538,647	153,906
888,820	(4,089,111)	1,687,359	2,979,894	1,655,088	451,955
552,350	(4,174,037)	1,234,530	1,723,653	365,088	451,955
53,904	411,881	411,214	202,110	59,082	59,731
	381,558	356,615	170,354	83,197	58,018
22,774,741	22,876,637	29,052,792	28,776,358	13,272,197	3,573,537
13,175,725	14,071,648	13,118,526	13,544,421	10,157,540	2,741,504
17,194,685	18,167,639	18,650,778	19,291,258	8,430,044	2,431,154
20,230,722	20,011,858	24,891,528	23,840,560	15,808,909	4,369,478
72,921,270	76,982,258	87,867,565	79,223,651	55,653,611	12,232,692
.23	(1.82)	.52	1.13	.72	.81
			1.05	.70	.67
.09	(1.85)	.33	.61	(note 3) .13	.81
				.12	.67
	.24	.24	.16	.16	.12
$ 5.68	$ 5.32	$ 7.30	$ 6.91	$ 6.23	$ 6.99
191	179	211	204	150	36

*Results for the years 1966-73 inclusive, have been restated to retroactively reflect final income tax reassessments.

Net income used in this calculation, both before and including extraordinary items, reflects a reduction in interest costs, imputed earnings on exercise of the common share purchase warrants, and the related effect on income taxes resulting from the above assumptions.

Where fully diluted earnings per share figures are not presented, it is because contingent share issuances did not have any adverse effect on earnings per share.

3. The decrease from 1966 was caused by the creation of 1,857,240 convertible third preference shares in 1967.

AUTOMOTIVE PRODUCTS

Canada's automotive aftermarket continued to grow in real terms in 1975, with wholesale trade up 11 percent during the year to nearly $3.0 billion according to Statistics Canada. The replacement parts market has now enjoyed steady growth for more than 40 successive years, making it one of the most stable and prosperous sectors of the economy.

Acklands' Automotive Parts and Accessories Product Group once again out-performed the industry with an approximate 31 percent gain in 1975 and a substantial increase in market share. All major automotive products distributed by Acklands participated in this growth, bringing sales for this product group to more than $114.1 million or 44.6 percent of Acklands' sales.

Acklands is Canada's largest wholesaler of automotive parts and accessories, marketing more than 60,000 different items in this product group. Acklands' warehouses service company-owned and independent jobbers of automotive parts and accessories who in turn supply an estimated 40,000 retail repair outlets across the country. Of the 2,000 independent jobbers in Canada, Acklands presently serves more than 800 either on a product line or associate basis. The company's jobber associate program provides special financial, marketing and warehousing assistance to more than 100 of these independent jobbers in return for their full buying support. Acklands owns and operates another 240 jobber outlets directly.

New Developments

Mass merchandisers and national repair specialists are taking a growing share of the retail market for auto service, which has created new opportunities for Acklands. These retailers usually stock a narrow range of fast-moving parts and accessories which they normally buy direct from the manufacturer but they continue to rely upon wholesalers to provide fast, local access to the thousands of other items they need. Acklands' National Accounts Program is expanding to meet their requirements. The Program showed excellent progress in 1975 and major new accounts have been acquired.

In recent years, increased demand has developed for rebuilt engines and other remanufactured items as prices for new parts have mounted. Acklands has developed a dominant position in this industry through three of its subsidiaries — Western Automotive Rebuilders in Saskatoon, Specified Automotive in Toronto and Mohawk Motor in Montreal.

W.A.R. remanufactures 12,000 engines annually as well as hundreds of thousands of brake shoes and clutch units. The company has moved into Ontario with warehousing facilities in Toronto. Specified rebuilds electrical components such as starters, generators, alternators and water pumps. Mohawk, acquired earlier this year, has a rebuilding capacity of 10,000 engines a year. About half of Acklands' total remanufacturing output goes to its own branch network; the remainder is sold to independent jobbers and retail specialists. Acklands' rebuilding operations service most of the country's large mass merchandisers and production has been expanded to include small truck engines.

Future Prospects Good

Canada's automotive aftermarket has dynamic future potential. Recent studies indicate real growth over the next 10 years of 5 percent compounded annually. Higher prices for gasoline, repairs and new cars have not curtailed car ownership. In 1975, 23 percent of all households owned two or more cars, up 6.5 percent from 1974. And there is lots of room for further growth. Canada has just one car for every three people. Manufacturers confidently predict that this gap will be closed, with Canada having one car for every two people by the early 1980s.

Consumers have, however, become more cost-conscious. Recent surveys indicate that many motorists are now repairing their cars more frequently to maintain better mileage. The emphasis is on driving more economically rather than driving less.

Demand for passenger car parts and accessories will be supported by even faster growth in truck and farm machinery repairs.

Outboard engines, motorcycles, snowmobiles and auxiliary engines have enjoyed explosive sales in recent years and they, too, need to be maintained.

INDUSTRIAL PRODUCTS

Acklands is a major supplier of industrial supplies and equipment, with a product line that includes precision machine tools, compressors, abrasives, chemicals, fasteners and welding supplies. Sales for this product group were up approximately 16 percent in 1975 — a solid per-

(L. to R.) George Forzley, Norman A. Peden, Donald J. Dawson

formance given the uncertain business conditions prevailing in Canada during the year.

Overall, the Industrial Supplies and Equipment Product Group achieved 1975 sales of about $71.5 million or 28.0 percent of the company's total for the year.

Strikes in Canada and uncertainty over provincial government tax policies on resource development companies adversely affected industrial sales in 1975. The situation has improved, however, and 1976 should not present as many obstacles to growth.

Westward Distributors, Acklands' international trading arm, broadened its line of industrial products during 1975. Most are sold under exclusive distribution agreements or private label. Westward identifies new markets and then develops and merchandises new products to its own specifications to meet the demand.

Business Investment Outlook Positive

Business capital investment is the most important factor behind continued growth for Acklands' Industrial Supplies and Equipment Product Group. On the basis of federal estimates, 1976 should therefore be a year of accelerated growth. A survey of business investment intentions conducted by the Department of Industry, Trade and Commerce last October projects a 28.4 percent increase in capital expenditures this year by Canada's 300 largest companies compared to an estimated 21.5 percent increase in 1975.

The most rapid growth is expected from mining, with a 55.9 percent increase, followed by oil and gas (up 50.1 percent), and pipeline companies (up 31.8 percent). These are markets in which Acklands already has major penetration. Much of the investment will be in western Canada where the company has a dominant position as a supplier for resource development.

Large manufacturers anticipate a 29.9 percent increase in investment, also substantially higher than last year's rise. This market is especially important for Acklands' expanding line of machine tools which has shown steady improvement in recent years.

An important question, as yet unanswered, is the extent to which these investment intentions will be fulfilled under the federal price and income restraint program.

Canada's metalworking industry had a disappointing year in 1975 as sales rose only nine percent to $30.3 billion. Capital spending remained buoyant, however, with a 26.5 percent increase

and this pace should continue through 1976. Smaller machine shops are proving especially receptive to Acklands' highly sophisticated, numerically controlled machine tools because of their proven ability to increase productivity and reduce labour costs.

Canada must import most of its machine tools, creating opportunities for major importers like Acklands with its wide-ranging foreign purchasing activities. Canadian machine tool imports reached $250 million in 1975, up 22.5 percent over the year. Acklands anticipates equivalent or greater demand this year.

LEISURE PRODUCTS

Queen's University in Kingston, Ontario, had to consult its architects on what could be done to accommodate the flood of bicycles on campus. There were 180 percent more motorcyclists in Ontario last year than seven years earlier. More than one in ten Canadian households now has a snowmobile; ten years ago, they were virtually non-existent. These are examples of what might be called the leisure revolution.

Working hours have continued to decline for most Canadians in recent years, while disposable income, except for brief periods of recession, has grown rapidly. Accompanying these trends has been a sudden surge in demand for leisure products — boats, outboard motors, bicycles, motorcycles and power tools. As a result, Acklands' Leisure Products Group has grown at an average compound rate of 29 percent over the past five years, making it the fastest growing group in the company.

In 1975, Acklands' leisure sales were up 8 percent despite a general slowing of demand for consumer durables. The strongest performers were pleasure boats and trailers, motorcycles, chain saws and bicycles. Sales for the Leisure Products Group reached $35.6 million at the end of last year, accounting for 14 percent of total sales.

H. C. Paul Limited of Winnipeg is Acklands' main leisure products subsidiary. The company is a warehouse distributor with more than 1,500 franchised dealers in its network, primarily in western Canada. H. C. Paul also operates three highly successful retail stores under the Powertown name in Manitoba and Saskatchewan, including a large new facility opened in Prince Albert last year. These outlets are used to test products and merchandising ideas for H. C. Paul's dealers.

Leisure Spending to Rise

This year, consumer demand for leisure products should rise substantially. Economic projections point to excellent growth in real disposable income, a slight decline in price levels and a return to lower levels of savings. Estimates are that real consumer expenditures will rise 5 percent during 1976. Since new car sales in Canada are likely to soften after exceptionally strong performance in the past two years, much of this new spending could be directed to leisure activities.

Yanmar marine diesel engines and tractors are selling very well and a 50 percent increase in sales is anticipated in 1976 as three new diesel models come onto the market in April of this year. Sekine bicycles are another strong performer; consumer acceptance has been outstanding and dealer inventories have been reduced to very low levels and bookings are well ahead of last year's pace. Honda motorcycle sales are healthy, especially the higher horsepower models.

ELECTRONICS PRODUCTS

Acklands' Home Entertainment and Electronics Group markets consumer and industrial electronic products, electrical supplies and appliances.

Canadian consumer electronics markets were affected sharply by recession in 1975. There was no overall growth in dollar volume for the year, compared to a 23.5 percent increase in 1974. Considering the impact of inflation, real growth was negative.

Home entertainment products were the hardest hit. Consumer spending for these items was down from $622 million to $532 million in 1975. Sales of Acklands' home entertainment and electronics products were off 20 percent at year end to $27 million or 10.6 percent of total company volume. Colour television receivers suffered most. Audio sales were higher, primarily due to new models introduced in August which expanded the selection available. Communications equipment, lighting fixtures, electrical wiring and industrial electronics supplies were stronger during the year, turning in the best performances for this product group. Total industry sales of communications equipment reached $1.3 billion in 1975, an amazing 15.8 percent higher than in 1974, despite the poor economic climate. Acklands intends to increase its penetration of this segment of the market in 1976.

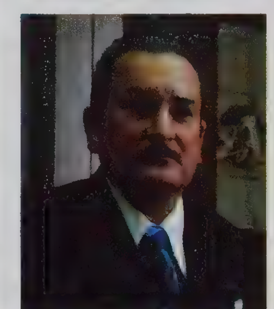
Outlook Improved

A number of factors point to a resumption of growth for this product group in 1976. Sales of major appliances improved along with overall retail sales in the last quarter of 1975, indicating an upturn in consumer confidence. Dealer inventories in relation to sales were cut in half for major appliances and home entertainment products over the year, clearing the way for more active purchasing in 1976.

Canada's housing starts were up sharply by year end, with December starts in urban areas 105 percent higher than the same month a year earlier. Historically, there is a strong relationship between the housing market and sales of appliances and big-ticket consumer electronics items. Demand for colour televisions is the most important factor in better performance for this product group. According to recent consumer surveys, 53.4 percent of Canadian households have colour television receivers, leaving considerable room for growth. The incidence of two sets per household is also rising.

Harry C. Paul

Lloyd Utigard



Blake E. Forrest

BRITISH COLUMBIA

Victor A. Aker

Declining output in resource industries made 1975 a difficult year for British Columbia operations. Gross Provincial Product did not advance in real terms and forest production fell to the lowest level in a decade.

Industrial sales were below budgets established at the start of the year and lower consumer demand for major appliances and home entertainment products further weakened the provincial picture. Cost reduction programs were instituted to keep expenses in line with sales.

Not all the news was bad, however; the boating market was stronger, with dealer purchases at a much higher level than in 1974. Lawn care equipment sales also accelerated during the year.

The Canadian Electronics Division was consolidated in 1975 and product lines were rationalized. Sales are now concentrated in the industrial electronics market which has outperformed consumer markets.

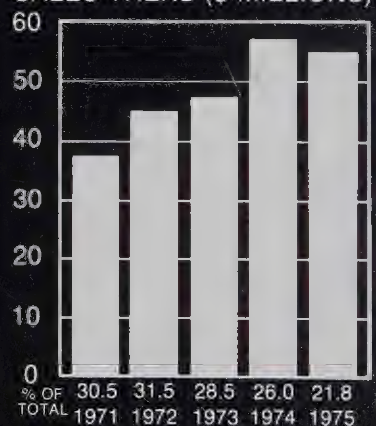
Sales for the Machine Tool Division picked up as the year progressed, reflecting in part a reorganization and move to new quarters. Automotive product sales were also generally stronger.

Stock reduction programs showed progress during the year. Branches were required to reduce inventories and return surplus product to warehouses for re-allocation.

The outlook for 1976 is much improved. Labour unrest has generally subsided and both mining and the pulp and paper industry have picked up momentum. U.S. housing investment, which is likely to rise by as much as 32 percent this year, should revive the all important forest industry. Elimination of production royalties on metals will also help to spur growth.

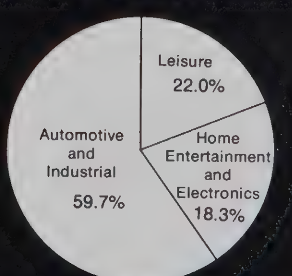
Consumer confidence, which was especially low in this province in early 1975, has rebounded to more promising levels, pointing to better performance for appliances and home entertainment products in 1976.

SALES TREND ($ MILLIONS)

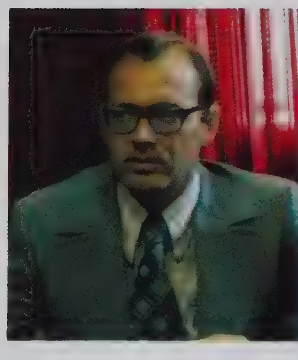


SALES BY PRODUCT GROUP

TOTAL SALES $55,605,757



ALBERTA



Douglas G. Cumming

New products helped Alberta to record-breaking sales in 1975 despite very unsettled labour conditions.

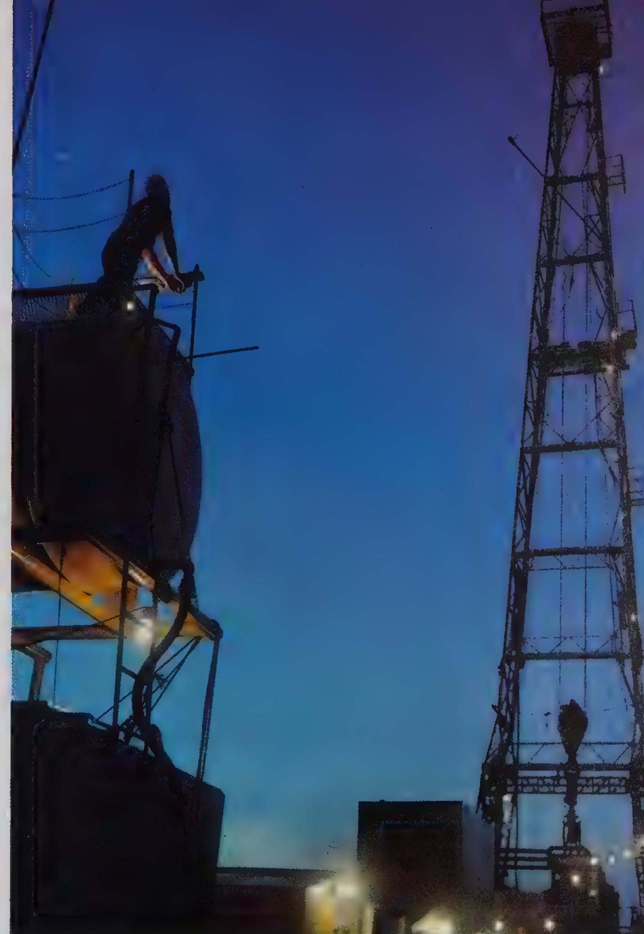
The most important development was in welding equipment and supplies, a major factor in Alberta and Saskatchewan sales. Contracts were finalized to make and package welding supplies under the Acklands name. Electric welders are now being produced for the company in Canada and the U.S., also under the Acklands label.

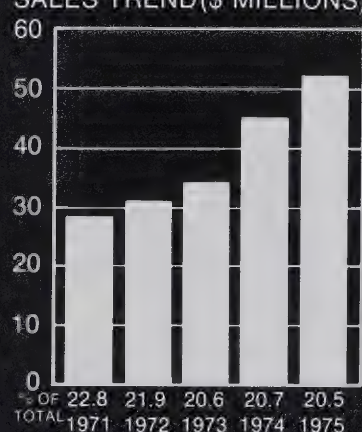
Negotiations were successfully concluded with a major manufacturer of industrial tools, for exclusive distribution of their product line in Alberta and Saskatchewan. This agreement achieved immediate profitability for the company.

Provincial operations also benefited from strong performances by Westward Distributors, the Industrial Rubber Division, the Filter Division and Paint Division.

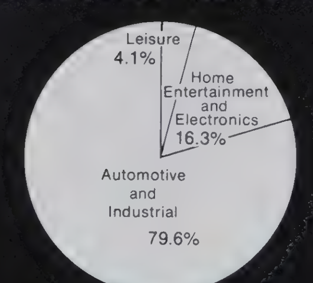
Strikes in the construction industry affected 1975 sales and profits. Major projects such as Syncrude at Fort McMurray and the Alberta Power project at Wabamur were closed down, sharply reducing the volume of work for machine and welding shops as well as sales of construction supplies. Automotive sales were strong, however, and the Electronics Division was able to increase profits due to tight controls on expenses.

This should be a year of major expansion for Acklands' Alberta operations. The provincial economy is in a dynamic growth phase with more than $7.0 billion in capital spending planned for the year, much of it for energy resource development. Major petrochemical facilities now slated for construction should open up lucrative new markets for the company's range of industrial products. Agriculture will be somewhat less buoyant, but overall prospects for Acklands are excellent.





SALES BY PRODUCT GROUP
TOTAL SALES $52,470,170



SASKATCHEWAN

Theodore Stokes

A strong provincial economy helped to make 1975 a successful year for Saskatchewan.

Realized net farm income reached a record $1.3 billion in 1975, the sixth consecutive year of growth. Last year's total was up 12.5 percent from 1974.

Sales for the Saskatchewan operation increased 15 percent during the year, with industrial products continuing to provide leadership.

Three new branches were added in Regina, two of them as a result of the Autolec takeover. All three contributed to 1975 profits.

Six expansion moves were made during the year, including a new 8,000 sq. ft. warehouse in North Battleford, a new machine shop in Tisdale and a 4,800 sq. ft. addition to the Saskatoon Westair branch to house the growing machine tool division.

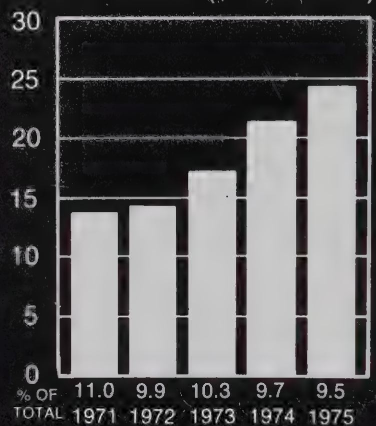
A "filter washing" division has been established in Saskatchewan and Alberta with seven locations now in operation. The division recycles used automotive filters particularly for heavy equipment. This business is not only profitable in its own right, but is increasing filter sales substantially as well.

Plans for 1976 include opening a new branch in southwestern Saskatchewan and expanding industrial rental operations in Saskatoon.

The outlook for 1976 is positive, despite anticipated declines in net farm income. New capital investment should continue to grow at last year's record pace of 29 percent. Recent Russian purchases of grain have helped to maintain prices at profitable levels. Mineral production rose 13.7 percent in dollar terms last year compared to declines in other provinces and this year's performance should be even better as mineral prices rise and major new mines come into production.

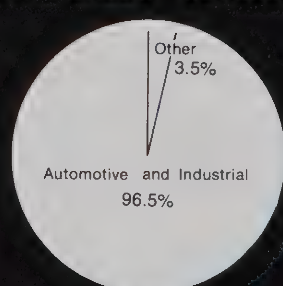
Acklands' Saskatchewan operations should record new highs for sales and profits in 1976.

SALES TREND ($ MILLIONS)



SALES BY PRODUCT GROUP

TOTAL SALES $24,355,809



MANITOBA

Arnold Harbour

Manitoba's economy performed poorly in 1975. Declines in construction and mining activity brought several branches under budget for the year. Strikes in the pulp and paper industry in northwestern Ontario, which is part of the Manitoba territory, further affected sales.

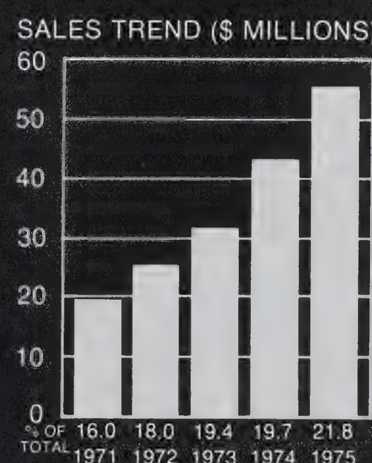
However some operations were much improved during the year. Westward Distributors increased sales for a number of its products. Automotive sales of Gillis and Warren in Winnipeg were also healthy and finished on an upward note.

Major Appliances met its targets during the year despite poor markets resulting from lower consumer demand.

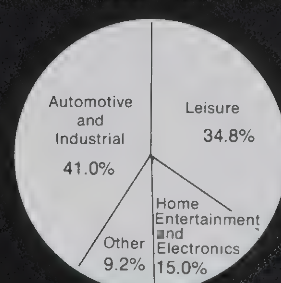
The provincial economy achieved no real growth in 1975 and only moderate improvement is expected this year. There are no major new capital projects anticipated in the province. Farm incomes will likely decline as expenses for operation continue to escalate.

Mineral production and housing construction will, however, make a contribution both to economic recovery and higher sales for Acklands in the current year. These are major markets for the company's Manitoba operations. Housing starts developed momentum in the last quarter of 1975, which should carry through 1976 with the help of federal government housing programs. Electrical supplies, major appliances and home entertainment products will respond positively.

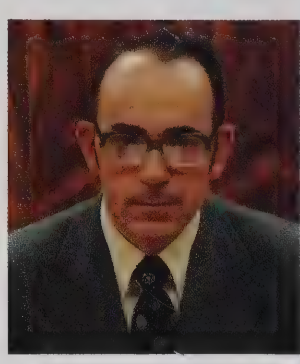
Output of copper and zinc — two of Manitoba's three main minerals — declined in 1975. Their outlook has improved however with firmer prices in recent months. The U.S. and Japanese economies, Manitoba's principal mineral markets, appear to be strengthening. The machinery, chemical and transportation sectors, three of last year's better performers, are also encouraging. Industrial product sales should improve in 1976.



SALES BY PRODUCT GROUP
TOTAL SALES $55,552,384



CENTRAL ONTARIO



Alex Kozma

The past year was one of acquisition and consolidation in central Ontario. Autolec added three automotive warehouses and twelve wholesale jobbing outlets to this region. Many of the outlets were in areas where Acklands previously did not have representation, particularly in northern Ontario.

Moto-Rite's jobber program increased its membership in 1975 and Regent Automotive attracted a large number of new accounts to its warehouse during the year. The consolidation of Regent and Modern Automotive Warehousing in a larger Toronto facility, is expected to reduce both costs and inventories while also providing each other with additional product lines.

To further penetrate the enormous Metropolitan Toronto auto parts aftermarket, Acklands opened three new branches in west Toronto and one outlet in the east end.

The Industrial Products Division should achieve record growth in 1976 as a result of a major reorganization and expansion of facilities and branches. Industrial sales were higher during 1975 but strikes in northern Ontario's pulp and paper industry noticeably affected budgeted year end results.

A new central warehouse for the Industrial Products Division was established in Toronto, consolidating two other locations. Branches in Sault Ste. Marie, Cambridge, Peterborough and Barrie have been reorganized to carry industrial products as well as automotive lines. A number of other branches were expanded and renovated during the year.

SALES BY PRODUCT GROUP
TOTAL SALES $58,410,089

EASTERN ONTARIO

Donald T. Langton

This new region was established in 1975 to consolidate the expanded branch operations contributed by two major acquisitions — Autolec and Welch & Johnston.

Welch and Johnston, based in Ottawa, was one of the largest auto parts distributors in eastern Ontario when it was acquired in early 1975. Its reputation and sales established the necessary base for expansion in this region.

Both Welch and Johnston and Autolec have provided much more than branch locations and warehouses. The two companies employed many highly qualified and energetic people who will contribute to Acklands' growth for years to come.

Consolidation was a key objective during the year. The Welton and WWD automotive parts warehouses were combined with Autolec's MAW facility, providing significant inventory and cost reduction opportunities for 1976. All systems were reorganized in the warehouse operation to improve service to Acklands' own branches and increase sales to independent jobbers who had been largely supplied by competititors in the past.

There is a great deal of room for profitable growth in eastern Ontario's automotive aftermarket. The potential is indicated by the performance of new branches recently established in the region.

Sales of lawn mowers, snowblowers, tillers and tractors were reasonably good during the year and the outlook for 1976 is positive for agricultural and leisure products.

Eastern Ontario should make a sizeable contribution to sales and profits for the company this year.

QUEBEC

Andre Rousseau

The Quebec operations were doubled in size with the acquisition of Maurice Rousseau et Cie in January of 1976. This acquisition takes Acklands' automotive and industrial products into new market areas and provides the base for more rapid expansion in this province.

As in other regions, results were affected by strikes in the resource sector and a general softening of industrial demand. Sales of industrial products were consequently disappointing, particularly to the lumber, mining and construction industries. Automotive products were nonetheless strong, helping Quebec to achieve higher sales and much improved profits for the year.

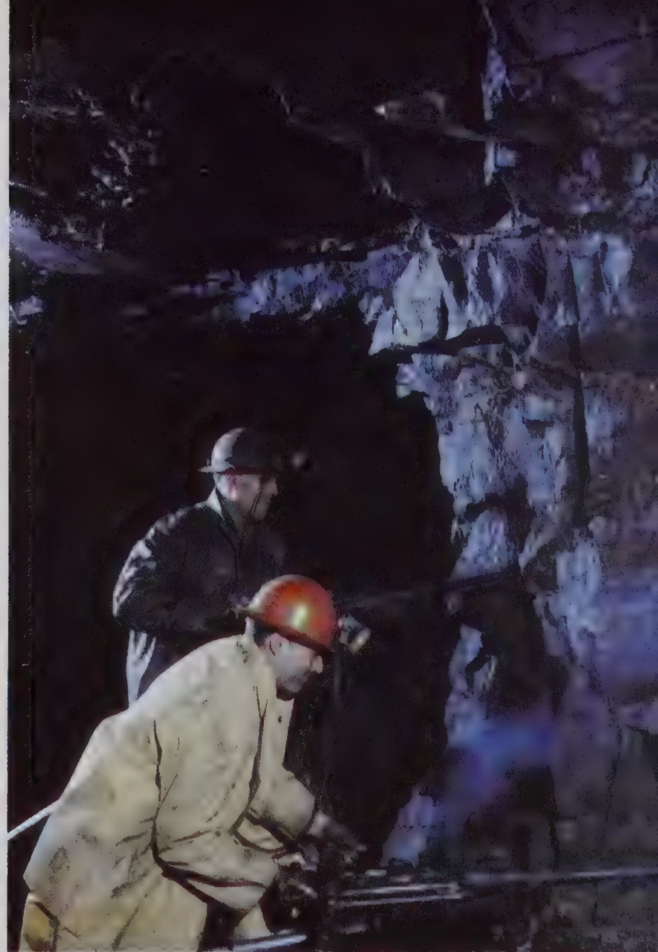
Cost controls were an important factor in Quebec's better profit performance. Collections were more efficiently managed and inventories were kept close to budgeted figures.

The Quebec economy should recover in 1976. Major projects such as the Olympics, the Montreal subway extension, the James Bay power plant, the Gentilly nuclear plant and new iron ore developments in the north will stimulate the overall level of business activity.

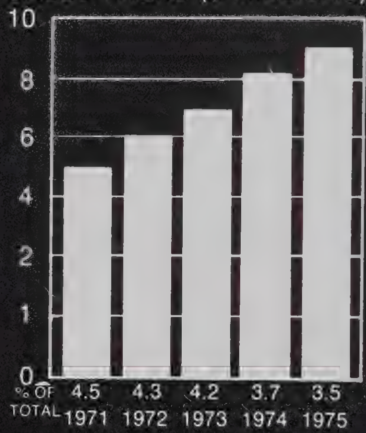
A rapid turnaround in U.S. housing construction should mean a much better year for the lumber industry. The outlook for the textile industry is more optimistic as well.

The pulp and paper industry, a major Acklands customer, should be stronger this year. Demand for copper, aluminum and zinc also appears to be on the rise and asbestos is in short supply.

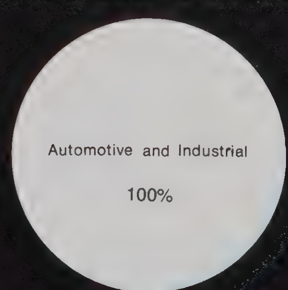
All considered, 1976 should provide growth opportunities to Acklands' expanded operations in this province.



SALES TREND ($ MILLIONS)



SALES BY PRODUCT GROUP
TOTAL SALES $ 8,992,682



CORPORATE ADMINISTRATION

(L. to R.) Samuel N. Smilski, David M. Craig, Leonard G. Walker

Arnold Glass

Mail strikes, price and income controls and acquisitions increased the pressures on Acklands' administration services in 1975. During the year, special attention was focussed on inventory control programs and cost controls to offset the effects of inflation.

Inventory Control

The main objectives of the inventory control program are to eliminate the presence of idle inventories and reduce interest and operating expense of carrying product. Stock quotas are set for each of Acklands' 348 branches and the inability of a branch manager to live within these limits brings immediate intervention by the inventory control group. Intervention takes the form of restrictions on purchasing or assumption of complete control of inventory procedures.

Inventory turnover declined in 1975 compared to 1974, primarily due to duplication of product lines resulting from acquisitions. To improve this situation, lines are being rationalized so that each is concentrated in its strongest market areas.

The early evaluation of inventory to sales trends is an essential element in any stock control program. New computerized systems are being introduced, region by region, which should enable Acklands to increase turnover while maintaining the same level of customer service.

Maximum advantage is being taken of stock return agreements with suppliers. Extensive line reviews in 1975 resulted in a number of clearouts and considerable returns of excess stock. Inventories in 1976 will be closely controlled for all product groups, thereby realizing substantial savings for the company.

Traffic Control

Acklands is currently conducting a complete study of its transportation and traffic requirements with a major consulting firm. The objectives are to reduce the frequency of shipments, to consolidate small shipments into larger, less costly movements and to rationalize the modes of transportation used.

The cost of stocking and distributing the vast range of product lines Acklands handles is enormous. The opportunity for savings is equally large, particularly if transportation patterns and the timing of shipments are paralleled with a reorganization of warehousing practices such as putting all fast moving items in one place and storing seasonal items according to the time of year. Accessibility of product is directly related to inventory turns and handling costs.

The extent of the savings possible through a rationalization of distribution patterns is reflected in the size of Acklands' trucking bill, which now exceeds $10 million annually. A reduction of 20 percent in trucking use through optimization of transportation routes and shipping frequency — which is not an unreasonable expectation — would in itself generate very significant additional profit to the company.

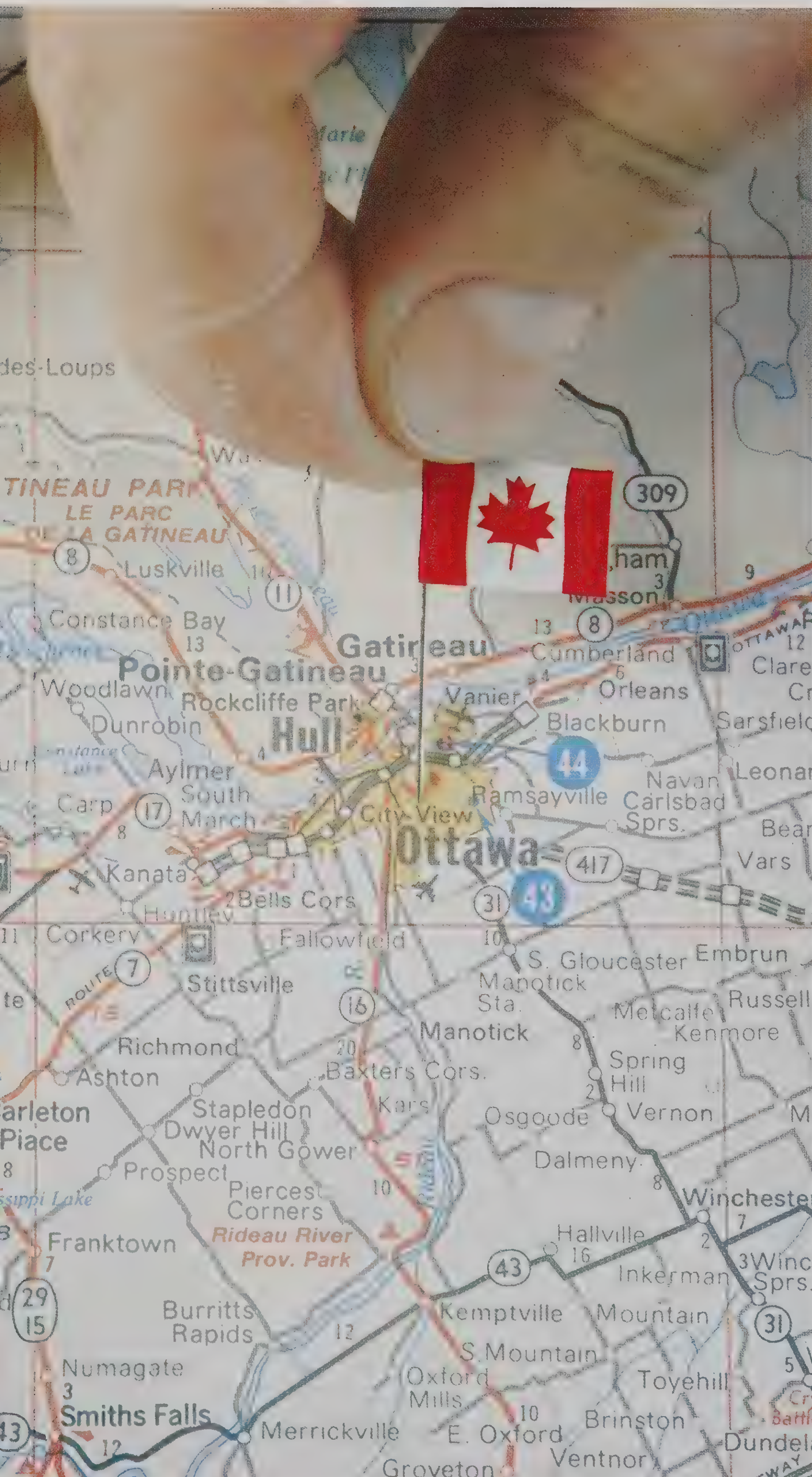
Administrative Control

Acklands' internal audit group developed an audio-visual educational program and a branch manager's handbook to improve understanding of the company's accounting and control requirements at the branch level. The two day educational program was conducted across Canada and involved detailed attention to all administrative procedures.

Because of economic recession, Acklands put more emphasis on the accuracy and efficiency of its credit granting and collections process in 1975. All accounts are categorized and regular reports made to the managers who are then charged with keeping clients up-to-date and within their credit limits.

Allan Ireland

CORPORATE DEVELOPMENT



Long term business planning is an important requirement for future growth. To ensure continued increases in sales and profits in a competitive economy, preparatory strategy must be formulated well in advance.

For Acklands, this long term planning has focused heavily on expansion in the automotive aftermarket with a view towards covering all of Canada's most important market areas. Acquisitions have been a significant part of this expansion program because of the immediate entry into new markets accomplished by takeover of a well-positioned company.

Further Penetration of Automotive Aftermarket

Autolec was the most significant acquisition during 1975. This national auto parts distributor, when purchased, had eleven warehouses and 44 wholesale outlets which have now been mostly integrated into the Acklands system.

The decision to purchase Autolec's assets was based upon its long term potential to strengthen Acklands' automotive parts distribution coverage. Modern Autolec facilities have enhanced Acklands' warehouse distribution service and greatly increased the company's automotive aftermarket share. Autolec locations in central Ontario have provided access to valuable trading areas such as Barrie and North Bay which were not previously covered by the Acklands branch network. In addition, Autolec's personnel added management depth and experience, especially at the branch level.

Over 57 years of continuous service has given Autolec a strong customer base. Incorporated in 1918, the company became a leader in the development of automotive electrical repair methods and procedures. Beginning in 1946, Autolec introduced a national educational program to give specialized training to service personnel of garages, gas stations and fleets across Canada. More than 14,000 automotive technicians have graduated from Autolec courses on diagnosing and repairing electrical and carburetion problems. This base of goodwill was a factor in Acklands' decision to acquire the company.

Autolec was losing money when its assets were purchased. Excessive overhead expenses and a number of unprofitable branches contributed substantially to the losses. The first task was to consolidate Autolec's administration with that of Acklands', which has now been largely completed. Purchasing, merchandising and ware-

housing procedures were reorganized to parallel the tighter, more disciplined Acklands style.

A second objective has been to introduce successful Acklands automotive product lines to the Autolec system and to expand and rationalize the product mix at its outlets. Progress has been made in this direction and a number of branches have already recorded significant sales increases.

Several unprofitable locations have been closed after detailed analysis showed little likelihood of a speedy turnaround. Their operations have been merged with nearby Acklands branches whenever possible to continue customer service.

Autolec-related expenses reduced Acklands' overall profit in 1975, as had been anticipated, but the acquisition should contribute to 1976 earnings. Once reorganization of Autolec is completed, it will become a major factor in the future growth of the company.

Acklands Supports Suppliers

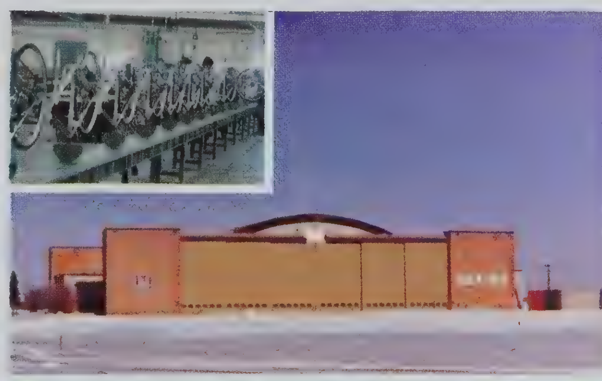
Acklands takes seriously its responsibilities to its suppliers and its role in the Canadian economy. In recent years, the company has encouraged two major manufacturers to locate in this country and it has helped many smaller suppliers to expand facilities or product lines. These activities have made Acklands much more than the traditional distributor and they have also opened up new investment opportunities for the company.

More recently, Acklands has extended financial support to Sekine Canada Ltd., the Canadian operation of the well-known Japanese bicycle manufacturer. The decision to invest in Sekine reflects the long term growth opportunities which Acklands has already helped to develop as a distributor of the product. Three years of work have conclusively demonstrated the enormous market for high quality bicycles of domestic manufacture, the only serious obstacle being the actual production volume. The Acklands financing will be used to expand plant facilities to meet demand for the company's products.

This fast-growing business is the only North American producer of the Sekine line with output of 55,000 bicycles planned for this year at the highly automated Rivers, Manitoba plant. Volume was up 50 percent last year to 45,000 units and the 1980 objective has been set at 100,000. About 10 percent of production is shipped to the U.S. with Acklands holding exclusive North American distribution rights.

Sekine bicycles retail in the $130 to $250 range and twelve models are currently produced at the Rivers plant. Acklands helped to attract the assembly operation to Manitoba in 1973, providing work for 150 native people from the surrounding area. Federal government financing and federal job training programs were also instrumental in setting up the business.

The closer relationship with Sekine has been established with a view to taking a major equity interest in the enterprise at a later date.



John F. Driscoll, Leonard J. Kenna.

NEW PRODUCT DEVELOPMENT

New products are a major source of growth to a large, diversified merchandiser. For Acklands, 1975 was a productive year for new product development which will yield benefits in 1976 and beyond.

New Leisure Products

The H. C. Paul Division was especially active in acquiring new lines. The distribution franchise for Volvo outboard motors presents Acklands with outstanding profit opportunities in association with a company which has a remarkably strong reputation with consumers. The Volvo line complements Acklands' national distribution of Lund boats, which have similar high standards of quality and consumer acceptance. This striking combination is expected to attract new dealers to Acklands.

Volvo outboard engines continue the engineering excellence and innovation which characterize the Volvo name. Exclusive features include low octane fuel consumption which increases mileage and decreases pollution and an "afterburner" to ensure practically perfect combustion.

Acklands hopes to attract a Volvo assembly plant to Canada which would improve pricing and product accessibility. The same approach was successfully implemented with Sekine bicycles and Lund boats, for which Acklands helped to establish manufacturing locations in Manitoba, where their products are now produced for the North American market.

Acklands' growing consumer products operations in eastern Canada have been partly responsible for acquiring important franchises. This demonstrates the success Acklands is having in establishing a truly national leisure products distribution network.

The new Honda line of industrial engines will now be marketed by Acklands in Manitoba, Saskatchewan and northwestern Ontario. These engines should earn a substantial share of the small engine replacement market and complement Acklands' Honda division. The Honda name in itself has come to signify the best in performance and service in Canada.

Acklands' sale of boat trailers and golf carts has been progressing, encouraging the company to expand these product lines. Shoreland'r boat trailers and E-Z-Go golf carts, two prestigious products added last year, have more than met sales expectations and increased market penetration is anticipated in the current year.

Acklands has also become the exclusive distributor for Wheel Horse lawn and garden tractors in Manitoba and Saskatchewan. Wheel Horse, a division of American Motors, is a leader in U.S. markets and a manufacturer of high quality products with exceptional sales potential.

Autosense Franchise Acquired

Autosense is an exciting new computerized automotive diagnostic system that not only identifies a car's problems, but recommends mechanical remedies as well. Tests show it saves money and increases business for the typical garage or service station.

Developed as a result of the U.S. space program by United Technologies, Autosense is the most sophisticated equipment of its kind, with the capacity for running 70 checks in just 20 minutes that would take the most experienced mechanic many hours to perform. It also increases repair work by discovering hidden defects that most mechanics wouldn't spot.

Consumers are responding positively to the product because it takes the guesswork out of diagnosis. Most other equipment relies upon interpretation of results. With the aid of cassette tape memory units, Autosense can adapt to specifications of more than 2,000 vehicle variations, including make, year, model, engine type and transmission. It matches up the current status of the vehicle being tested with the original production specifications built into it on the assembly line, pointing out what must be done to bring the vehicle back to standard. The computer printout is available for reference and the car owner can ask for another Autosense check after repairs to see that the work has been done properly.

Acklands has Canadian distribution rights for this product and a promotion campaign has been developed to introduce it to major markets this year.

Developing the Echo Private Label

One of the most important of the company's long-term merchandising programs is the expansion and development of Acklands' own line of Echo brand automotive and industrial products.

Initial efforts are being concentrated on bringing Acklands' existing private label products under the Echo name with its distinctive package design. Last year, hand cleaner, spray paint and garage creepers were added to the Echo line. Five other products are being converted to Echo labelling and a further 60 products are currently being considered.

There are a number of compelling reasons to recommend private labelling. Most importantly, there are cost savings which mean increased profits to Acklands. To realize this benefit fully, distribution will be centralized to maximize inventory control and bulk shipping. Another advantage is that pricing to customers can be more competitive and the goodwill built up by Acklands in a product line is secure.

Promotion of the various products using catalogues and trade advertising is now in progress to establish the brand name. With the support of its many divisions, sales personnel and suppliers, Acklands looks for a growing contribution to sales and profits from the Echo program in the next several years.

MERCHANDISING AND PROMOTION

Advertising and sales promotions are an important supplement to Acklands' selling efforts.

A number of promotions were initiated by the company last year throughout Canada in co-operation with suppliers and dealer customers. All product groups participated in this increased promotional activity.

Merchandising efforts were closely co-ordinated with provincial sales management to ensure that campaigns were directed to products which met customer needs. Teamwork between merchandising and sales is all important to ensure proper timing and success of promotional endeavours.

Sales Promotion for Automotive Products

Acklands' marketing department developed an effective and exciting warehouse promotion for jobbers and automotive dealers during 1975. Four automotive lines were selected and dealers who bought a specific quantity were automatically entered in a special draw along with the jobber salesman who sold them the product. Every month, for seven months, Acklands awarded twelve stereo systems to winning dealers and salesmen.

Grand prizes included thirty free trips to the 1976 Indy 500, 100 pairs of binoculars and — for the first prize winners, two 1976 Lincoln Continental Mark IV's.

This innovative campaign made a valuable contribution to sales and improved relations with independent jobbers.

Trade Magazine Advertising

Acklands has all the advantages and disadvantages of an industry leader. On the one hand, the company is recognized as a large, sophisticated organization able to meet almost any of its customers' requirements. On the other hand, Acklands is often not perceived for what it is — thousands of individual people in hundreds of different branches providing personal and friendly service face to face.

Acklands featured the warmer, more human side of itself in a successful trade advertising campaign in 1975 using the "Corner Store" theme. Under this umbrella, the campaign conveyed the scope and breadth of Acklands' operations and product lines as well as information on the company's jobber associate program.

A Corner Store display has also been used to good effect at trade shows and conferences to promote the company to its suppliers and customers.

Industrial and Leisure Products Promotion

Industrial products were actively promoted during the year. Efforts included full page advertisements in national trade journals and numerous sales incentive programs for Acklands' personnel. Trade shows were held throughout the country, some of which featured product displays of more than 100 suppliers. Customer reception and attendance were excellent.

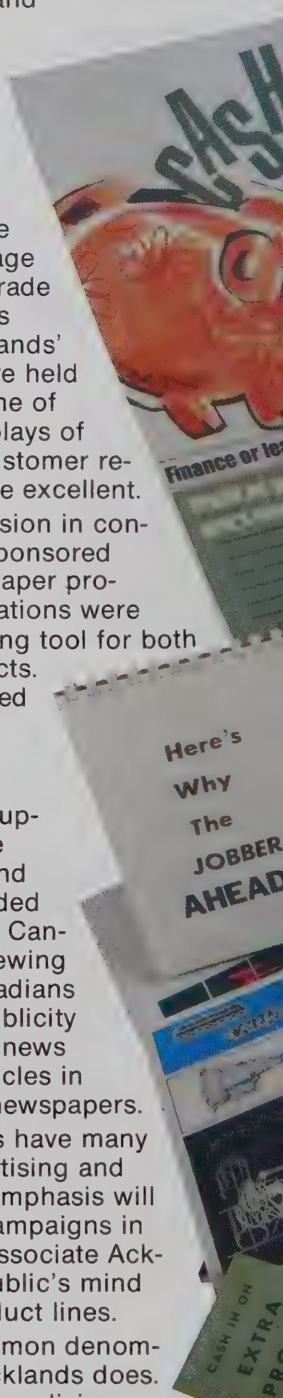
The H. C. Paul leisure division in conjunction with its suppliers sponsored many radio and local newspaper promotions. Also, slide presentations were prepared and used as a selling tool for both industrial and leisure products. New catalogs were introduced in 1975 and others updated.

Television Promotion

Acklands and four of its suppliers — Lund boats, Sekine bicycles, Zenith television and Mercury outboards — provided the major prizes to the Miss Canada Pageant, obtaining a viewing audience of 4.5 million Canadians for the occasion. Further publicity included national television news coverage and numerous articles in trade magazines and local newspapers.

Acklands and its suppliers have many opportunities for joint advertising and promotion efforts. Greater emphasis will be placed on shared cost campaigns in 1976 to support sales and associate Acklands more closely in the public's mind with its many excellent product lines.

Merchandising is the common denominator for everything that Acklands does. Recognizing this fact, merchandising and promotion will become increasingly important to the company in 1976 and beyond.



(L. to R.) Samuel H. Blank, Wallace Greenspoon, Kiyo Nonomura

CORPORATE ORGANIZATION

BRITISH COLUMBIA

ACKLANDS

Burnaby .... C. J. Hummel
Campbell River .... N. T. Bjarnason
Chilliwack .... J. J. Milino
Cranbrook .... A. Gordon
Dawson Creek .... D. Franke
Fort St. John .... B. Amundsen
Haney .... J. P. Harvey
Langley .... A. H. Kerwood
Kamloops .... J. J. Butler
Kelowna .... A. J. Majore
MacKenzie .... K. R. Brown
Nanaimo .... J. L. Miller
Nelson .... B. R. Cox
New Westminster .... M. Mombouquette
Penticton .... D. G. Scott
Port Alberni .... K. Flint
Powell River .... D. W. Burnett
Prince George .... V. Russman
Prince Rupert .... R. R. Whitely
Quesnel .... D. R. Sowden
Revelstoke .... E. Ward
Richmond .... W. W. Gilbert
Smithers .... B. M. Byrgesen
Sparwood .... G. Maddison
Terrace .... H. P. Young
Trail .... R. Jenkins
Vancouver
- 1725 Quebec St. .... V. Aker
- 30 E. 69th. Ave. .... C. A. Mayes
- 55 East Cordova St. .... D. S. Sinclair

Machine Tool Division .... K. C. McClelland
- 1380 Pemberton Ave. .... R. J. Kelly
- 1088-1096 Rossevelt Cres. .... R. J. Kelly
- 4 West 7th Ave. .... J. C. Potvin
- 1720 W. 2nd Ave. .... H. Paulley
- Industrial Rubber Products .... K. C. McClelland
- Paint & Body Supplies .... R. J. Mandley
- Refrigeration Division .... H. Paulley

Victoria .... L. D. Annear
Williams Lake .... T. M. Rositch

ACCURATE PRE-HUNG DOOR

Vancouver .... G. D. Miller

ACKLANDS CONTRACT & BUILDERS HARDWARE

Vancouver .... N. O. Chilton

AUTOLEC

Burnaby
- Kingsway .... K. C. R. Weber
- Wayburne .... E. R. Williams

Coquitlam .... O. Hnatiuk
Delta .... N. R. Grazier
Duncan .... R. D. Levigne
Haney .... R. Morisset
Kamloops .... D. J. McPhee
Kelowna .... M. D. McLeod
Langley .... J. R. Davies
New Westminster .... J. Agnew
North Vancouver .... T. Lippingwell
Port Alberni .... H. I. McCulloch
Prince George .... L. Laur
Richmond .... T. Hirose
Vancouver .... P. Mayo
- Air Cooled Engine Division E. Neuman

Victoria
- Government Street .... R. D. Higgins
- Station Road .... S. Wyatt

CANADIAN ELECTRONICS

Kamloops .... W. Larocque
Prince George .... B. Connelly
Vancouver .... D. Martin
Victoria .... D. E. Clark

R. L. KENNEDY (1970)

Vancouver .... A. J. Marchand

MAJOR APPLIANCES

Vancouver .... J. K. Bannister

MC & MC MARINE DIVISION

Vancouver .... J. L. Harvey

TAYLOR, PEARSON & CARSON

Vancouver
- Marine & Turf Division .... R. J. Crowe
- Record Division .... R. B. Ayres

WESTERN WAREHOUSE DISTRIBUTORS

Kamloops .... J. J. Butler
Prince George .... V. Russman
Vancouver .... M. N. Clark
Victoria .... L. D. Annear

WESTWARD DISTRIBUTORS

Vancouver .... N. F. Callaway

ALBERTA

ACKLANDS

Blairmore .... W. Field
Brooks .... B. Risdale
Calgary
- 4124 - 9th St. S.E. .... M. Vangotsinoven
- 3513 - 78 Ave. S.E. .... J. Mundy
- Machine Tool Division .... J. Kessler
- Body Shop Supply .... T. Hill

Camrose .... N. Hancock
Drayton Valley .... E. LaFleur
Edmonton
- 9515 - 63rd Ave. .... M. Flory
- 12410 - 142 St. .... W. Fedorak
  A. Stambaugh
  W. McArthur
- 16108 - 114 Ave. .... W. Galloway
- 12255 Fort Road .... P. Lanctot
- 8210 McIntyre Road .... M. Anker
  - Rental Division .... C. Knull
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  - Machine Tool Division .... M. Anker

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Lethbridge .... G. Gorzitza
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- 4340 Manhattan Road S.E. .... R. Davies
- Machine Shop .... W. Hryciuk
- 516 - 16 Ave. N.W. .... T. Heath
- 3515 - 17th Ave. S.W. .... R. Veldhoen
- 9827C Horton Rd. S.W. .... H. Clark
- Body Shop Supply .... A. Decosta
- Record Division .... G. Gerrard

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- 6909 - 82nd Ave. S.E. .... W. Robinson
- 11905 - 111 Ave. .... K. J. Kiraly
- 12051-76th Street .... J. Molofy
- 16720-111 Ave. .... J. Schatkoske
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Innisfail .... R. Lentz
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Outlook .... D. Dolan
Prince Albert .... M. Blanch
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611 Dewdney Avenue .... G. Ewen
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Saskatoon
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1002 Ewart Avenue .... M. West
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Moose Jaw .... L. Temple

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Saskatoon .... K. Javens

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Saskatoon .... L. Utigard

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Flin Flon .... V. James
Killarney .... B. Cardoreth
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1747 Portage Ave. ...... I. Applebaum

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  212 Oscar St. ..... P. Collins
  119 Colonization Ave. ..... V. Skillen
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  1012 Upper Wellington ..... J. Erwin
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Cornwall ..... R. Samson
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North Bay ..... R. Laperriere
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Stock Exchanges
Ticker Symbol: ACK

HEAD OFFICE
125 Higgins Avenue, Winnipeg, Manitoba
R3B 0B6

EXECUTIVE OFFICE
100 Norfinch Drive,
Downsview, Ontario M3N 1X2.

Acklands Limited

EXECUTIVE OFFICE — 100 NORFINCH DRIVE, DOWNSVIEW, ONTARIO M3N 1X2